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COMPENDIUM OF BUDGET INFORMATION  
FOR THE  
2007 GENERAL SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE FOR  
PUBLIC EDUCATION

OFFICE OF THE LEGISLATIVE FISCAL ANALYST  
R. BENJAMIN LEISHMAN  
MINIMUM SCHOOL PROGRAM

DANNY SCHOENFELD  
EDUCATION AGENCIES

DECEMBER 22, 2006

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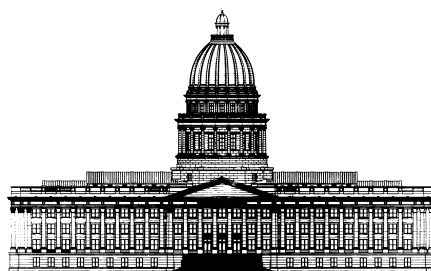
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UTAH STATE LEGISLATURE  
COMPENDIUM OF BUDGET INFORMATION  
FOR THE  
2007 GENERAL SESSION



JOHN E. MASSEY, DIRECTOR

OFFICE OF THE LEGISLATIVE FISCAL ANALYST  
W310 STATE CAPITOL COMPLEX  
SALT LAKE CITY, UTAH 84114-5310

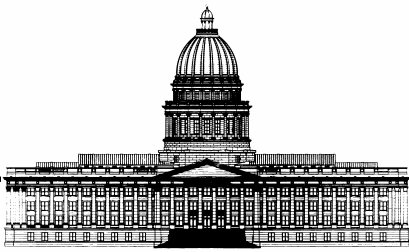
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JOHN E. MASSEY  
LEGISLATIVE FISCAL ANALYST

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December 22, 2006

Members of the Joint Public Education Appropriations Subcommittee  
House Building  
Utah State Capitol Complex  
Salt Lake City, UT 84114

Dear Legislators:

Please find attached the third edition of the Utah Legislature's Compendium of Budget Information (COBI). COBI is one part of a three-pronged approach to staff budget analysis. It is designed as a reference document from which you may garner details on Utah state government activities within your subcommittee's jurisdiction. It includes program descriptions, references to statutory authority, accountability information, and, of course, budget data. COBI sets a baseline against which you can evaluate budgets proposed during the 2007 General Session.

Parts two and three of the Legislature's budget analysis – Budget Briefs and Issue Briefs – will be available throughout the 2007 General Session beginning in January. Both are succinct, decision oriented papers that build on COBI, presenting future budget options rather than COBI's *status quo*. Budget Briefs follow the structure of state government documenting proposals for current year supplemental and future year budget action. Issue Briefs cut across "silos" to discuss subjects that impact state appropriations independent of program structure.

Detail on current state appropriations as they relate to your subcommittee are included in the "2007 Appropriated" column of the budget tables herein. Utah's total budget, by funding source, subcommittee, and category of expenditure, is summarized in the table on the following page.

If I or my staff can assist you further regarding this document or any other budget matter, please do not hesitate to contact me at (801) 538-1034.

Sincerely,

John E. Massey  
Legislative Fiscal Analyst

**Budget History - State of Utah**

<b>Sources of Finance</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
General Fund	1,795,120,600	1,745,496,800	1,768,306,150	1,910,800,000	1,781,898,100
General Fund, One-time	28,962,750	(241,600)	117,058,700	121,540,040	398,634,200
Uniform School Fund	1,684,266,694	1,734,161,174	1,815,156,111	1,917,934,675	2,115,252,445
Uniform School Fund, One-time	10,436,000	5,891,000	34,800,900	43,725,000	44,375,000
Education Fund	4,908,000	112,000,000	200,520,900	235,260,900	548,663,800
Education Fund, One-time	1,935,100	(23,200,000)	52,073,500	19,496,600	53,882,000
Transportation Fund	389,538,000	391,891,100	437,416,000	421,112,200	350,269,200
Transportation Fund, One-time	0	0	277,100	126,371,900	74,200,000
Centennial Highway Fund	103,848,200	117,531,900	145,772,200	126,393,400	128,607,800
Centennial Highway Fund, One-time	0	1,796,800	0	0	0
General Fund Restricted	132,317,200	154,215,300	171,101,700	213,939,261	208,690,600
Uniform School Fund Restricted	78,400	72,000	90,700	14,306,100	15,176,100
Transportation Fund Restricted	27,573,800	29,813,200	30,720,100	37,215,500	38,781,500
Federal Funds	1,942,099,062	2,174,694,678	2,264,204,145	2,294,817,646	2,354,240,500
Dedicated Credits	774,058,339	614,539,399	730,196,287	654,136,650	693,383,100
Land Grant	771,000	804,700	1,040,435	1,807,732	1,058,500
Federal Mineral Lease	43,612,900	64,176,600	64,785,719	98,278,950	84,756,500
Restricted Revenue	9,606,100	2,944,000	273,700	17,930,800	0
Trust and Agency Funds	377,644,015	406,862,037	380,298,477	668,393,202	914,827,380
Transfers	310,161,147	312,446,922	314,413,473	350,828,925	322,837,300
Repayments/Reimbursements	12,260,800	15,206,500	11,107,200	11,816,900	31,263,900
Other Financing Sources	0	0	0	233,722	0
Pass-through	69,500	994,900	1,503,200	1,081,300	473,300
Beginning Balance	478,431,169	508,727,141	325,904,493	270,267,852	130,364,690
Closing Balance	(508,804,742)	(408,249,298)	(347,917,902)	(284,772,991)	(53,558,640)
Lapsing Balance	(88,457,656)	(56,071,454)	(20,646,900)	(23,958,400)	(1,893,200)
<b>Total</b>	<b>\$7,530,436,379</b>	<b>\$7,906,503,799</b>	<b>\$8,498,456,388</b>	<b>\$9,248,957,863</b>	<b>\$10,236,184,075</b>
<b>Subcommittees</b>					
Executive Offices & Criminal Justice	544,478,400	582,590,000	618,377,000	650,467,161	712,137,300
Capital Facilities & Administrative Services	401,792,500	283,219,900	466,535,900	400,525,000	499,105,600
Commerce & Workforce Services	356,939,100	370,080,100	381,785,400	374,734,600	453,898,800
Economic Development and Revenue	176,396,500	193,681,700	174,955,900	250,681,500	370,173,200
Health & Human Services	1,796,226,868	1,988,592,616	2,145,033,300	2,307,382,500	2,414,290,200
Higher Education	888,515,400	934,067,900	991,420,900	1,058,618,425	1,099,975,500
Natural Resources	176,375,400	165,264,800	166,619,200	191,088,600	204,865,400
Public Education	2,330,739,161	2,438,357,683	2,593,642,788	2,771,942,577	3,012,993,025
Transportation & Environmental Quality	844,949,400	935,857,900	945,086,000	1,227,356,000	1,450,643,500
Legislature	14,023,650	14,791,200	15,000,000	16,161,500	18,101,550
<b>Total</b>	<b>\$7,530,436,379</b>	<b>\$7,906,503,799</b>	<b>\$8,498,456,388</b>	<b>\$9,248,957,863</b>	<b>\$10,236,184,075</b>
<b>Categories of Expenditure</b>					
Personal Services	1,736,353,103	1,807,342,994	1,898,810,498	1,997,989,080	2,228,961,150
In-State Travel	14,134,072	14,500,846	15,669,609	17,335,576	14,024,500
Out of State Travel	4,523,469	4,889,409	5,479,600	5,828,400	5,746,100
Current Expense	1,004,437,498	854,645,604	955,825,491	960,742,005	1,232,024,400
DP Current Expense	77,976,393	82,210,862	84,165,900	87,515,600	111,994,800
DP Capital Outlay	178,527,153	12,440,919	12,629,500	14,617,900	13,038,700
Capital Outlay	62,331,514	483,846,765	318,051,916	553,655,321	444,070,300
Other Charges/Pass Thru	4,452,009,276	4,646,415,100	5,077,535,174	5,494,801,881	6,184,767,725
Cost of Goods Sold	(299,600)	(129,500)	(135,800)	(813,200)	881,800
Cost Accounts	4,600	(24,500)	0	6,600	38,000
Operating Transfers	182,600	144,300	172,900	157,000	98,000
Trust & Agency Disbursements	256,300	221,000	130,251,600	117,121,700	538,600
<b>Total</b>	<b>\$7,530,436,378</b>	<b>\$7,906,503,799</b>	<b>\$8,498,456,388</b>	<b>\$9,248,957,863</b>	<b>\$10,236,184,075</b>
<b>Other Data</b>					
Budgeted FTE	32,789.7	33,066.0	33,462.5	33,965.5	35,792.6
Authorized Capital Outlay	21,594,700	25,731,100	20,812,900	20,904,000	41,049,400
Retained Earnings	15,795,336	16,314,149	17,763,119	27,740,867	17,518,307
Vehicles	11,255	10,701	9,386	9,299	9,319







## TABLE OF CONTENTS

<b>CHAPTER 1 STATE BOARD OF EDUCATION.....</b>	<b>3</b>
<b>CHAPTER 2 MINIMUM SCHOOL PROGRAM.....</b>	<b>7</b>
<b>CHAPTER 3 MSP – BASIC SCHOOL PROGRAM – REGULAR PROGRAMS .....</b>	<b>15</b>
KINDERGARTEN .....	15
GRADES 1 THROUGH 12 .....	15
NECESSARILY EXISTENT SMALL SCHOOLS .....	17
PROFESSIONAL STAFF .....	18
ADMINISTRATIVE COSTS.....	19
<b>CHAPTER 4 MSP – BASIC SCHOOL PROGRAM – RESTRICTED PROGRAMS.....</b>	<b>21</b>
SPECIAL EDUCATION – REGULAR PROGRAM – ADD-ON WPUS .....	21
SPECIAL EDUCATION – REGULAR PROGRAM – SELF-CONTAINED WPUS .....	22
SPECIAL EDUCATION – PRESCHOOL .....	23
SPECIAL EDUCATION – EXTENDED YEAR PROGRAM FOR THE SEVERELY DISABLED .....	23
SPECIAL EDUCATION – STATE PROGRAMS .....	24
CAREER AND TECHNOLOGY EDUCATION – DISTRICT ADD-ON .....	24
CAREER AND TECHNOLOGY EDUCATION – SET-ASIDE .....	25
CLASS SIZE REDUCTION.....	25
<b>CHAPTER 5 MSP – RELATED TO BASIC PROGRAMS .....</b>	<b>27</b>
SOCIAL SECURITY AND RETIREMENT .....	27
PUPIL TRANSPORTATION – TO AND FROM SCHOOL PROGRAM.....	27
PUPIL TRANSPORTATION – GUARANTEE TRANSPORTATION LEVY .....	32
PUBLIC EDUCATION JOB ENHANCEMENT PROGRAM – MATH & SCIENCE TEACHER RECRUITMENT ..	33
<b>CHAPTER 6 MSP – RELATED TO BASIC PROGRAMS – BLOCK GRANTS.....</b>	<b>35</b>
INTERVENTIONS FOR STUDENT SUCCESS BLOCK GRANT .....	35
QUALITY TEACHING BLOCK GRANT .....	36
LOCAL DISCRETIONARY BLOCK GRANT .....	36
<b>CHAPTER 7 MSP – RELATED TO BASIC PROGRAMS – SPECIAL POPULATIONS .....</b>	<b>39</b>
HIGHLY IMPACTED SCHOOLS FUNDING .....	39
AT-RISK PROGRAMS .....	40
ADULT EDUCATION .....	41
ACCELERATED LEARNING PROGRAMS .....	43
<b>CHAPTER 8 MSP – RELATED TO BASIC PROGRAMS – OTHER PROGRAMS.....</b>	<b>45</b>
ELECTRONIC HIGH SCHOOL .....	45
SCHOOL LAND TRUST PROGRAM .....	45
CHARTER SCHOOL LOCAL REPLACEMENT FUNDING .....	46
K-3 READING IMPROVEMENT PROGRAM .....	48
<b>CHAPTER 9 MSP – VOTED AND BOARD LEEWAY PROGRAMS.....</b>	<b>51</b>
VOTED LEEWAY PROGRAM.....	51
BOARD LEEWAY PROGRAM .....	52
BOARD LEEWAY – READING IMPROVEMENT PROGRAM.....	52
<b>CHAPTER 10 SCHOOL BUILDING PROGRAM.....</b>	<b>55</b>
CAPITAL OUTLAY FOUNDATION PROGRAM .....	56
ENROLLMENT GROWTH PROGRAM .....	57

SCHOOL BUILDING REVOLVING ACCOUNT .....	57
<b>CHAPTER 11 UTAH STATE OFFICE OF EDUCATION .....</b>	<b>59</b>
STATE BOARD OF EDUCATION .....	62
STUDENT ACHIEVEMENT AND SCHOOL SUCCESS .....	65
DATA AND BUSINESS SERVICES .....	69
LAW, LEGISLATION AND EDUCATIONAL SERVICES .....	71
INDIRECT COST POOL .....	73
INTERNAL SERVICE FUND .....	75
<b>CHAPTER 12 STATE CHARTER SCHOOL BOARD .....</b>	<b>77</b>
<b>CHAPTER 13 UTAH STATE OFFICE OF REHABILITATION .....</b>	<b>79</b>
EXECUTIVE DIRECTOR'S OFFICE.....	81
DIVISION OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED.....	83
DIVISION OF REHABILITATION SERVICES .....	85
DIVISION OF DISABILITY DETERMINATION SERVICES .....	88
DIVISION OF SERVICES TO THE DEAF AND HARD OF HEARING.....	89
<b>CHAPTER 14 UTAH SCHOOLS FOR THE DEAF AND BLIND .....</b>	<b>93</b>
INSTRUCTION .....	95
SUPPORT SERVICES .....	97
<b>CHAPTER 15 UTAH SCHOOLS FOR THE DEAF AND BLIND – INSTITUTIONAL COUNCIL .....</b>	<b>99</b>
<b>CHAPTER 16 CHILD NUTRITION PROGRAMS.....</b>	<b>101</b>
<b>CHAPTER 17 EDUCATION OUTREACH PROGRAMS – FINE ARTS AND SCIENCE EDUCATION.....</b>	<b>105</b>
EDUCATION OUTREACH – PROGRAM CATEGORIES .....	108
STATEWIDE EDUCATION OUTREACH PROGRAMS .....	108
REQUEST FOR PROPOSAL PROGRAMS.....	109
SUBSIDY PROGRAM.....	110
SCIENCE ENHANCEMENT PROGRAM.....	111
FINE ARTS OUTREACH PROGRAM .....	112
SCIENCE OUTREACH PROGRAM .....	112
<b>CHAPTER 18 EDUCATION CONTRACTS .....</b>	<b>113</b>
YOUTH CENTER .....	114
CORRECTIONS INSTITUTIONS .....	115
<b>GLOSSARY .....</b>	<b>117</b>
<b>INDEX .....</b>	<b>121</b>

**CHAPTER 1 STATE BOARD OF EDUCATION****Function**

Article 10, Section 3 of the Utah Constitution states “The general control and supervision of the public education system shall be vested in a State Board of Education.” Further, the constitution reads “The State Board of Education shall appoint a State Superintendent of Public Instruction who shall be the executive officer of the board.” The Board and its appointed State Superintendent administer the Minimum School Program (MSP); School Building Program; Utah State Office of Education (USOE); Utah Charter School Board; Utah State Office of Rehabilitation (USOR); Utah Schools for the Deaf and the Blind (USDB); Child Nutrition Programs; Fine Arts and Sciences; and Education Contracts.

The State Board adopted the following mission and vision statements to guide its role in overseeing Utah’s education system. "The Utah State Board of Education will fulfill its constitutional and statutory responsibilities by establishing policies that promote excellence in learning for all students. The Board will provide leadership, vision, advocacy, and support for school districts, other policymakers, and citizens to enable all students to be successful lifelong learners and contributing citizens." Further, the Board’s Vision Statement reads, “We see Utah as a place where all children are of infinite value and the education of each child is our most pressing responsibility.”<sup>1</sup>

The Board consists of 15 members, representing 15 voting districts. The State Board of Regents which governs the State’s higher education system appoints 2 Regents to participate as non-voting members of the State Board of Education. Accordingly, two members of the State Board of Education participate as non-voting members of the State Board of Regents. The budget for the State Board of Education may be found in the State Office of Education line item, discussed in Chapter 5.

**Statutory Authority**

The following statutory and constitutional references govern Utah’s education system. Each subsequent chapter details the statutory reference as they relate to education programs, agencies and line items.

- Utah State Constitution Article 10 - Education – The constitution provides for the establishment of free non-sectarian schools, defines what constitutes the public education system, and places the responsibility of general control and supervision of the system in a State Board of Education.
- UCA Title 53A - State System of Public Education – All statutory references for Utah’s public education system may be found in Section 53A.
- UCA 53A-1a-103 – Provides the mission of Utah’s public education system as recognized and defined by the Legislature.

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<sup>1</sup> Utah State Board of Education. *Vision Statement, Mission Statement, and Goals*. Found at: <http://www.usoe.k12.ut.us/board>

- UCA 53A-1a-104 – Details the characteristics of what constitutes Utah’s public education and that the Legislature shall assist in maintaining a system that meets these characteristics.

**Funding Detail**

The Utah State Constitution created the Uniform School Fund (USF) to support the State’s education system. Personal income tax provides the majority of USF revenue. Historically, over 85 percent of USF revenue comes from the Personal Income Tax. The remaining USF revenue sources include; the Corporate Franchise Tax and Corporate Income Tax.

Appropriations from the Uniform School Fund are restricted to state public (K-12) education agencies, school districts, or other state programs providing education related services. For the past decade, the USF has contributed approximately 73 percent of the total revenue that supports public education. The other major revenue sources include the Local Property Tax which contributes approximately 15 percent of the total revenue, Federal Funds which contribute about 10 percent. Other minor revenue sources contribute the remaining 2 percent to the budget.

Three main expenditure categories comprise Utah’s public education system. The largest expenditure program in the State budget is the Minimum School Program (MSP). The MSP has total expenditures of over \$2 billion and supports the State’s 40 school districts and 55 charter schools. For further detail on the MSP see chapter 2. In addition to the MSP, which supports school district operations, the Legislature provides funding for the School Building Program. The School Building Program helps support school building construction or renovation in the districts. Further information on the School Building Program may be found in chapter 3. Finally, the Public Education Agencies represent programs that support the education and development of students and the state’s disabled populations. Agency programs include the State Office of Education, State Office of Rehabilitation, Schools for the Deaf and Blind, Child Nutrition Programs, Fine Arts and Sciences Professional Education Programs, and Education Contracts. Detail on the education agency programs may be found in chapters 5 through 12.

Table 1-1 below details the total public education budget in Utah. Revenues appropriated by the Legislature may be found in the first section of the table. The middle of the table shows the total appropriation distributed among the three main education programs mentioned above. Finally, the last table section details the appropriation by major expenditure category. Further detail on all table sections may be found in the chapters that follow.

Budget History - Public Education					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	254,900	254,900	254,900	254,900	254,900
General Fund, One-time	0	0	1,400,000	2,585,900	7,500,000
Uniform School Fund	1,657,320,394	1,700,235,874	1,780,561,311	1,882,618,975	2,095,940,045
Uniform School Fund, One-time	10,435,600	5,891,000	33,118,500	19,725,000	44,423,800
Federal Funds	287,847,400	311,020,200	344,477,800	371,888,300	348,831,600
Dedicated Credits Revenue	22,426,500	23,853,600	25,466,900	28,502,300	24,931,400
Federal Mineral Lease	933,800	1,459,200	1,932,700	2,896,200	1,033,200
GFR - Substance Abuse Prevention	450,700	396,500	490,000	494,100	494,500
USFR - Interest and Dividends Account	0	0	0	80,000	15,081,900
USFR - Professional Practices	78,400	72,000	90,700	226,100	94,200
Local Property Tax	369,419,015	386,837,837	404,899,577	0	470,804,680
Transfers	57,100	3,796,900	3,394,600	805,100	3,486,500
Transfers - Child Nutrition	0	0	0	(394,600)	0
Transfers - Health	67,400	0	0	2,224,800	0
Transfers - Interagency	1,762,500	278,200	217,900	776,300	140,000
Transfers - State Office of Education	2,995,600	183,800	26,000	1,165,900	26,000
Beginning Nonlapsing	23,713,900	32,824,772	9,396,500	11,156,400	10,460,600
Closing Nonlapsing	(32,963,272)	(28,656,300)	(10,969,100)	(13,849,400)	(10,510,300)
Lapsing Balance	(14,060,776)	(90,800)	(1,115,500)	(15,700)	0
<b>Total</b>	<b>\$2,330,739,161</b>	<b>\$2,438,357,683</b>	<b>\$2,593,642,788</b>	<b>\$2,311,140,575</b>	<b>\$3,012,993,025</b>
<b>Agencies</b>					
State Board of Education	382,485,000	403,792,100	442,072,400	481,149,400	472,479,900
Minimum School Program	1,919,896,161	2,005,276,683	2,124,281,488	1,797,702,275	2,503,224,225
School Building Program	28,358,000	29,288,900	27,288,900	32,288,900	37,288,900
<b>Total</b>	<b>\$2,330,739,161</b>	<b>\$2,438,357,683</b>	<b>\$2,593,642,788</b>	<b>\$2,311,140,575</b>	<b>\$3,012,993,025</b>
<b>Categories of Expenditure</b>					
Personal Services	48,971,000	51,128,900	54,690,800	58,797,000	81,218,300
In-State Travel	677,000	768,000	871,500	993,100	810,000
Out of State Travel	239,000	269,500	326,500	359,600	316,700
Current Expense	22,034,900	22,618,900	23,476,500	26,214,700	23,800,000
DP Current Expense	2,344,900	2,227,800	2,724,600	2,648,800	2,668,000
DP Capital Outlay	262,000	56,000	875,100	74,100	266,900
Capital Outlay	124,700	94,300	67,700	2,393,100	37,000
Other Charges/Pass Thru	2,256,085,661	2,361,194,283	2,510,610,088	386,360,000	2,903,876,125
<b>Total</b>	<b>\$2,330,739,161</b>	<b>\$2,438,357,683</b>	<b>\$2,593,642,788</b>	<b>\$477,840,400</b>	<b>\$3,012,993,025</b>
<b>Other Data</b>					
Budgeted FTE	975.1	1,000.0	1,004.0	1,094.4	1,097.9
Vehicles	83	83	83	107	83

Table 1-1



**CHAPTER 2 MINIMUM SCHOOL PROGRAM****Function**

The Minimum School Program (MSP) is the primary funding source for Utah's 40 school districts and 55 charter schools. According to the Utah State Office of Education, the MSP "represents approximately 69.5 percent of total [education] expenditures. The balance includes 8.7 percent federal funds, and the rest are local (21.8 percent), and other state distributions."<sup>2</sup> Minimum School Program revenues support over 526,000 students enrolled in Utah schools.

The MSP is divided into five programs that collectively comprise the Minimum School Program. The Basic School Program, which has a Regular Program and a Restricted Program, accounts for the largest portion of MSP revenues. The remaining four programs include the Related to Basic Programs, Special Populations, Board and Voted Leeway Programs, and an Other Program. In addition to these programs, the MSP accounts for other one-time revenue appropriations made by the Legislature for distribution to school districts and charter schools.

Programs in the MSP provide revenue to local school districts and charter schools to support their education programs in all grades kindergarten through the 12<sup>th</sup> grade. Distribution of state revenue through the MSP is conducted on a formula basis. The MSP formula equalizes state revenues, as well as the majority of local property tax revenue, between 'richer' and 'poorer' school districts. Charter schools also participate in the equalized MSP revenue distribution formula.

**Revenue Equalization**

Creation of the MSP established a mechanism for the state and local school districts to share in the cost of educating Utah's school children. Statute recognizes that "all children of the state are entitled to reasonably equal educational opportunities regardless of their place of residence in the state and of the economic situation of their respective school districts or other agencies."<sup>3</sup> As mentioned above, formulas distributing MSP revenues function to equalize revenue among school districts and charter schools to provide 'reasonably equal educational opportunities.'

Although the establishment of an educational system is largely a state function, Utah statute indicates that school districts also have a responsibility. "School districts should be required to participate on a partnership basis [with the State] in the payment of a reasonable portion of the cost of a minimum program."<sup>4</sup> Statute authorizes each school district to assess a minimum basic property tax to contribute to the MSP. "In order to qualify for receipt of the state contribution toward the basic program [in the MSP] and as its contribution toward its cost of the basic program, each school district shall impose a minimum basic tax rate per dollar of taxable value."<sup>5</sup>

<sup>2</sup> Utah State Office of Education, Finance and Statistics Section. Minimum School Program Descriptions, [www.schools.utah.gov/finance/msp/Default.htm](http://www.schools.utah.gov/finance/msp/Default.htm). November 2006.

<sup>3</sup> UCA 53A-17a-102(1). Minimum School Program – Purpose of Chapter.

<sup>4</sup> UCA 53A-17a-102(2). Minimum School Program – Purpose of Chapter.

<sup>5</sup> UCA 53A-17a-135(1)(a). Minimum basic tax rate – Certified revenue levy.

*Basic Tax Levy*

School districts must impose the Basic Tax Levy in order to participate in the MSP. The state contribution to the Basic Program of a school district equals the difference between the proceeds of the basic levy and the cost of the basic program. If the proceeds of the basic levy “equal or exceed the cost of the basic program in a school district, no state contribution shall be made to the basic program.”<sup>6</sup> In the case that the proceeds from the basic levy exceed the cost of the basic program in a school district, statute includes a ‘recapture’ provision. Recaptured revenue is deposited in the state’s Uniform School Fund which supports state appropriations for public education.

The Legislature sets the Basic Tax Rate required of all school districts in statute each year. The following table provides a history of the Basic Tax Rate and total revenue yield since 1990.

**Public Education: Basic Tax Rates and Yield**

1990 to 2006

<b>Year</b>	<b>Basic Rate</b>	<b>Statewide Revenue Yield</b>
1990 (1)	0.004656	\$206,547,092
1992 (1)	0.004275	206,980,205
1992 (1)	0.004275	233,270,047
1993 (1)	0.004275	246,061,605
1994 (1)	0.004220	265,169,587
1995	0.002640	198,601,148
1996	0.002046	173,139,225
1997	0.001950	179,999,007
1998	0.001840	177,151,434
1999	0.001840	188,076,348
2000	0.001881	204,833,990
2001	0.001785	206,375,916
2002	0.001807	222,423,539
2003	0.001825	226,447,025
2004	0.001800	236,027,265
2005	0.001720	242,913,297
2006 (2)	0.001515	232,422,373

**Notes:**

1. Years in which funds were recaptured as a revenue source to the USF the following year from districts which collected more from the Basic Rate than they generated from the Basic School Program (WPU's). Since recapture funds are not available to the Basic School Program and are deposited as part of the total USF the following year, no recapture funds are shown in these data.

2. Yield shown is Legislative target rather than actual collections.

Sources: Utah State Office of Education, Finance and Statistics.

Basic Tax Rate and Yields. Found at: [www.schools.utah.gov/finance/tax/rates](http://www.schools.utah.gov/finance/tax/rates)

Office of the Legislative Fiscal Analyst. 2006-2007 Appropriations Report.

Prepared by: Office of the Legislative Fiscal Analyst (11/06BL).

**Table 2-1**

<sup>6</sup> UCA 53A-17a-135(3)(a). Minimum basic tax rate – Certified revenue levy.



<i>Weighted Pupil Unit</i>	<p>The Weighted Pupil Unit (WPU) acts as the common factor in distributing the majority of MSP revenue, specifically, the Regular and Restricted Basic School Programs. The WPU is “the unit of measure of factors computed in accordance with the Minimum School Program Act, for the purpose of determining the costs of the basic school program on a uniform basis for each student.”<sup>7</sup> The WPU represents one pupil in average daily membership (ADM). Specific programs in the MSP may generate fewer or additional WPUs based on statutory guidelines, most often, student qualification. For example, students enrolled in kindergarten generate .55 of a WPU where students enrolled in Special Education may generate more than one WPU. Explanation of MSP programs found throughout this chapter will provide further information on how WPUs are generated for a given program.</p>
<i>Value of the WPU</i>	<p>Each year, the Legislature establishes a value for each WPU. Funding levels for MSP programs is determined by the number of WPUs in the program multiplied by the value of the WPU. “When the Legislature provides an increase to the value of the WPU it is increasing the overall value of the Minimum School Program as allocated equally among LEAs [i.e. school districts/charter schools] based on their respective WPU count”<sup>8</sup> for a particular program in the MSP.</p> <p>The value of the WPU generally increases as a percent over the previous year. The following table provides a fifteen year history of the number of WPUs and the value of the WPU.</p>

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<sup>7</sup> UCA 53A-17a-103(6) – Minimum School Program Definitions.

<sup>8</sup> Office of the Legislative Fiscal Analyst. Minimum School Program Compensation: A report to the Executive Appropriations Committee. July 2005.

**Minimum School Program - Weighted Pupil Unit History**  
Comparison of WPU Value, Growth, and Generated Funding with Percent Change  
Fiscal Years 1990-2006

<b>Fiscal Year</b>	<b>Value of the WPU</b>	<b>% Change</b>	<b>Total WPU's</b>	<b>Increase/ (Decrease) in WPU's</b>	<b>% Change</b>	<b>Total WPU Generated Funding</b>
1990	\$1,240		539,895			\$669,469,800
1991	1,346	8.5%	551,308	11,413	2.1%	742,060,568
1992	1,408	4.6%	604,264	52,956	9.6%	850,803,712
1993	1,490	5.8%	605,626	1,362	0.2%	902,382,740
1994	1,539	3.3%	622,372	16,746	2.8%	957,830,508
1995	1,608	4.5%	635,379	13,007	2.1%	1,021,689,432
1996	1,672	4.0%	642,121	6,742	1.1%	1,073,626,312
1997	1,739	4.0%	648,532	6,411	1.0%	1,127,797,148
1998	1,791	3.0%	666,891	18,359	2.8%	1,194,401,781
1999	1,854	3.5%	668,465	1,574	0.2%	1,239,334,110
2000	1,901	2.5%	669,408	943	0.1%	1,272,544,608
2001	2,006	5.5%	671,513	2,105	0.3%	1,347,055,078
2002	2,116	5.5%	625,549	(45,964)	-6.8%	1,323,661,684
2003	2,132	0.8%	627,795	2,246	0.4%	1,338,458,940
2004	2,150	0.8%	631,771	3,976	0.6%	1,358,307,650
2005	2,182	1.5%	642,701	10,930	1.7%	1,402,373,582
2006	2,280	4.5%	652,990	10,289	1.6%	1,488,817,200
2007	2,417	6.0%	675,758	22,768	3.5%	1,633,307,086

Source: Appropriations Reports, Office of the Legislative Fiscal Analyst, 1990-2007. (11/06BL).

**Table 2-2**

### *Revenue Distribution*

The Minimum School Program is designed to be a distribution mechanism for equalized state and local revenue to school districts and charter schools. “To a degree, the Minimum School Program acts as a series of large block grants provided by the state to support local level educational services.”<sup>9</sup> Local boards of education and charter schools have discretion and responsibility to allocate funding based on the unique circumstances of the district. Revenue distributed through the WPU “is not a plan of expenditure or ‘budget’ for the LEA [i.e. school district or charter school] to follow.”<sup>10</sup>

Funding received through the MSP, combined with local property tax revenues and federal funds, assists school districts and charter schools in meeting the educational expenses. These expenditures include employee salaries, health and dental insurance, employee retirement, class size, school construction and renovation, curriculum, textbooks and supplies, along with a myriad of other educational related expenses. The expenses faced by a local board each year will determine the level of funding available for each program

<sup>9</sup> Office of the Legislative Fiscal Analyst. Minimum School Program Compensation: A report to the Executive Appropriations Committee. July 2005.

<sup>10</sup> Office of the Legislative Fiscal Analyst. Minimum School Program Compensation: A report to the Executive Appropriations Committee. July 2005.

	<p>offered in the district or charter school, as well as, the level of employee compensation increases. Compensation issues are determined through local contract negotiations regardless of Legislative funding decisions or increases provided to the value of the WPU.</p>
<i>Funding Legislation</i>	<p>The Minimum School Program Act is unique in comparison with other budgetary acts passed each year by the Legislature. Passage of the Minimum School Program Act amends and revises codified statute each year. This allows the Legislature to change statutes governing public education in conjunction with appropriation decisions. It also brings relevant laws into review each Legislative Session.</p> <p>Included in the Minimum School Program Act are other provisions that outline Legislative intent and one time funding appropriations. In addition, a final section of the act includes Legislative funding for participation in the School Building Program for construction of school facilities.</p>
<b>Statutory Authority</b>	<p>The Minimum School Program is governed by Title 53A, Chapter 17a of the Utah Code.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-17a-101 et. seq. – Sections 101 through 152 provide detail on the Minimum School Program and its various subprograms. Section 102 states that “the purpose of this chapter is to provide a minimum school program for the state in accordance with the constitutional mandate.”<sup>11</sup></li> </ul>
<b>Intent Language</b>	<p>The Legislature passed intent language during the 2006 General Session to allow the State Board of Education to use up to \$60,000 of the revenue appropriated to support the Public Education Job Enhancement Program to provide for the administration of the program during FY 2007.</p>
<b>MSP Data Consensus</b>	<p>Two major data sets significantly impact the overall cost of the Minimum School Program. The first is the projected number of students that will enroll in schools across the state. The second is the value of assessed property used to estimate local property tax revenues generated through the Basic Rate to support the Minimum School Program.</p> <p>Each year the Office of the Legislative Fiscal Analyst meets with representatives from the Governor’s Office of Planning and Budget and the State Board of Education to establish consensus estimates for student enrollments and assessed valuations. This ‘Common Data Committee’ also includes representatives from the Utah State Tax Commission (when reviewing assessed valuations), the Utah Education Association, and other interested individuals or organizations. Consensus estimates generated through the committee process ensures that each entity uses the same base data throughout the budgeting process.</p>
<i>Enrollment Projections</i>	<p>The method utilized to project student enrollment has historically provided a relatively accurate basis for determining MPS appropriations. Representatives from the Legislative Fiscal Analyst’s Office, the Governor's Office of</p>

<sup>11</sup> UCA 53A-17a-102 – Minimum School Program. Purpose of Chapter.

Planning and Budget, and the State Office of Education develop independent enrollment projections each year. The offices use methodologies which may include historical trends, district reporting, birth statistics, mortality rates, and any number of other factors to try and estimate student enrollment numbers. Upon the completion of these independent estimates, the offices meet together as the Common Data Committee to reach agreement on a common projection for student enrollment in the coming year.

### *Student Enrollments*

A total of 525,739 students enrolled in Utah's public schools for the 2006-07 school year. This was an increase of 3.1 percent over the prior school year, for a total student increase of over 15,700 students. Projections indicate that schools will enroll approximately 15,200 more students in fall 2007, an increase of 2.9 percent.

The table below provides a 9 year history of student fall enrollments. Since 1999 student enrollment increased by 64,966 students, or 13.6 percent.

#### **Public Education - Total Enrollment**

Fall 1999 to Projected Fall 2007

<b>Year</b>	<b>Total Fall Enrollment</b>	<b>Percent Change Over Prior Year</b>
1999	475,974	
2000	475,269	-0.1%
2001	477,801	0.5%
2002	481,143	0.7%
2003	486,938	1.2%
2004	495,682	1.8%
2005	510,012	2.9%
2006	525,739	3.1%
2007	540,940	2.9%

Source: Utah State Office of Education. Finance and Statistics Section.

Based on Common Data Committee Estimates.

Prepared by: Office of the Legislative Fiscal Analyst (11/06BL).

**Table 2-3**

Enrollment projections through 2015 indicate that student enrollments will continue to increase each year. Predictions indicate total enrollment may exceed 652,600 students by 2015, an increase of more than 111,660 students over the projected fall 2007 enrollment. A total enrollment of 652,600 students represents an increase of 20.6 percent over fall 2007 projections.<sup>12</sup>

<sup>12</sup> Based on enrollment projections conducted by the Utah State Office of Education. Found online at: [http://www.schools.utah.gov/finance/statistics/demographic\\_reports/files/projections\\_state.XLS](http://www.schools.utah.gov/finance/statistics/demographic_reports/files/projections_state.XLS). November 14, 2006.

**Funding Detail** Table 2-4 shows state appropriations to the Minimum School Program for the past five years. Table 2-5 shows program detail for the Minimum School Program.

<b>Budget History - Minimum School Program</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	1,563,393,694	1,604,893,274	1,686,939,511	1,787,123,275	1,996,119,545
Uniform School Fund, One-time	10,389,100	5,891,000	32,442,400	10,579,000	21,300,000
USFR - Interest and Dividends Account	0	0	0	14,000,000	15,000,000
Local Property Tax	369,419,015	386,837,837	404,899,577	446,802,002	470,804,680
Beginning Nonlapsing	17,911,600	27,230,572	0	0	0
Closing Nonlapsing	(27,230,572)	(19,576,000)	0	0	0
Lapsing Balance	(13,986,676)	0	0	0	0
<b>Total</b>	<b>\$1,919,896,161</b>	<b>\$2,005,276,683</b>	<b>\$2,124,281,488</b>	<b>\$2,258,504,277</b>	<b>\$2,503,224,225</b>
<b>Programs</b>					
Minimum School Program	1,919,896,161	2,005,276,683	2,124,281,488	2,258,504,277	2,503,224,225
<b>Total</b>	<b>\$1,919,896,161</b>	<b>\$2,005,276,683</b>	<b>\$2,124,281,488</b>	<b>\$2,258,504,277</b>	<b>\$2,503,224,225</b>
<b>Categories of Expenditure</b>					
Other Charges/Pass Thru	1,919,896,161	2,005,276,683	2,124,281,488	2,258,504,277	2,503,224,225
<b>Total</b>	<b>\$1,919,896,161</b>	<b>\$2,005,276,683</b>	<b>\$2,124,281,488</b>	<b>\$2,258,504,277</b>	<b>\$2,503,224,225</b>

Table 2-4

	12/22/06 9:01 AM Financing	FY 2006 Legislature		FY 2007 Legislature			
		2005-06 WPU'S	Funding @ \$2,280	2006-07 WPU'S	Funding @ \$2,417	Difference From Rev. 06	% Diff 06 to 2007
3	<b>I. Local Revenue</b>						
4	A. Basic Tax Levy	0.001702	\$225,872,138	0.001593	\$232,483,090	\$6,610,952	2.9%
5	B. Voted Leeway		162,172,538		175,340,351	13,167,813	8.1%
6	C. Board Leeway		43,757,326		47,981,239	4,223,913	9.7%
7	D. Board Leeway/Other--Reading		15,000,000		15,000,000		
8	<b>Local Contribution (A, B, &amp; C) Subtotal</b>		<b>446,802,002</b>		<b>470,804,680</b>	<b>24,002,678</b>	<b>5.4%</b>
9	<b>II. State Revenue</b>						
10	A. Uniform School Fund		1,787,123,275		1,996,119,545	208,996,270	11.7%
11	B. Uniform School Fund - One Time		15,579,000		21,100,000	5,521,000	35.4%
12	C. School Land Trust		14,000,000		15,000,000	1,000,000	7.1%
13	D. General Fund One-Time				200,000	200,000	
13	<b>State Revenue Subtotal</b>		<b>1,816,702,275</b>		<b>2,032,419,545</b>	<b>215,717,270</b>	<b>11.9%</b>
14	<b>REVENUE (I &amp; II) TO TAL</b>		<b>2,263,504,277</b>		<b>2,503,224,225</b>	<b>239,719,948</b>	<b>10.6%</b>
15	<b>I. Basic Program</b>						
16	<b>A. Regular Basic School Programs</b>						
17	1. Kindergarten	22,365	50,992,200	23,680	57,234,560	6,242,360	12.2%
18	2. Grades 1-12	445,146	1,014,932,880	462,579	1,118,053,443	103,120,563	10.2%
19	3. Necessarily Existent Small Schools	7,798	17,779,440	7,649	18,487,633	708,193	4.0%
20	4. Professional Staff	43,541	99,273,480	43,909	106,128,053	6,854,573	6.9%
21	5. Administrative Costs	1,662	3,789,360	1,629	3,937,293	147,933	3.9%
22	<b>Regular Basic School Programs (1-5) Subtotal</b>	<b>520,512</b>	<b>1,186,767,360</b>	<b>539,446</b>	<b>1,303,840,982</b>	<b>117,073,622</b>	<b>9.9%</b>
23	<b>B. Restricted Basic School Programs</b>						
24	1. Special Education-Regular Program						
25	a. Special Education add-on WPU's	54,858	125,076,240	56,413	136,350,221	11,273,981	9.0%
26	b. Self-Contained Regular WPU's	12,719	28,999,320	13,301	32,148,517	3,149,197	10.9%
27	2. Special Education - Pre-School	7,241	16,509,480	8,158	19,717,886	3,208,406	19.4%
28	3. Extended Year Program for Severely Disabled	357	813,960	367	887,039	73,079	9.0%
29	4. Special Education-State Programs	1,402	3,196,560	1,443	3,487,731	291,171	9.1%
30	<b>Special Education (1-4) Subtotal</b>	<b>76,577</b>	<b>174,595,560</b>	<b>79,682</b>	<b>192,591,394</b>	<b>17,995,834</b>	<b>10.3%</b>
31	5. Applied Technology Education - District	24,098	54,943,440	24,797	59,934,349	4,990,909	9.1%
32	6. Applied Tech. Education-District Set Aside	1,030	2,348,400	1,060	2,562,020	213,620	9.1%
33	<b>Applied Technology Ed. (5 - 6) Subtotal</b>	<b>25,128</b>	<b>57,291,840</b>	<b>25,857</b>	<b>62,496,369</b>	<b>5,204,529</b>	<b>9.1%</b>
34	7. Class Size Reduction	30,773	70,162,440	30,773	74,378,341	4,215,901	6.0%
35	Total Restricted Basic Programs :	<b>132,478</b>	<b>302,049,840</b>	<b>136,312</b>	<b>329,466,104</b>	<b>27,416,264</b>	<b>9.1%</b>
36	<b>TOTAL BASIC SCHOOL PROGRAM WPU's (I):</b>	<b>652,990</b>	<b>1,488,817,200</b>	<b>675,758</b>	<b>1,633,307,086</b>	<b>144,489,886</b>	<b>9.7%</b>
37	<b>C. Related to Basic Programs</b>						
38	1. Interventions for Student Success Block Grant		15,842,347		16,792,888	950,541	6.0%
39	2. Quality Teaching Block Grant		59,428,023		62,993,704	3,565,681	6.0%
40	3. Local Discretionary Block Grant Program		21,820,748		21,820,748		
41	4. Social Security & Retirement		272,224,533		310,891,038	38,666,505	14.2%
42	5. Pupil Transportation		59,058,267		62,601,763	3,543,496	6.0%
43	6. Guarantee Transportation Levy		500,000		500,000		
44	7. Math/Science - Beginning Teacher Recruitment		2,500,000		2,500,000		
45	<b>Related to Basic Programs Subtotal</b>		<b>431,373,918</b>		<b>478,100,141</b>	<b>46,726,223</b>	<b>10.8%</b>
46	<b>D. Special Populations</b>						
47	1. Highly Impacted Schools		5,123,207		5,123,207		
48	2. At Risk Programs		26,557,600		27,992,056	1,434,456	5.4%
49	3. Adult Education		7,630,805		9,148,653	1,517,848	19.9%
50	4. Accelerated Learning Programs		8,999,293		12,010,853	3,011,560	33.5%
51	<b>Special Populations Subtotal</b>		<b>48,310,905</b>		<b>54,274,769</b>	<b>5,963,864</b>	<b>12.3%</b>
52	<b>E. Other</b>						
53	1. Reading Program SB 230		12,500,000		12,500,000		
54	2. Electronic High School		1,000,000		1,300,000	300,000	30.0%
55	3. School Land Trust Program		14,000,000		15,000,000	1,000,000	7.1%
56	4. Charter School Local Replacement Funding		12,559,950		21,552,450	8,992,500	71.6%
57	5. U of U Reading Clinic						
58	5. Charter School Administration				100,000		
58	<b>Other Subtotal</b>		<b>40,059,950</b>		<b>50,452,450</b>	<b>10,392,500</b>	<b>25.9%</b>
59	<b>Related, Special, &amp; Other (C,D,&amp; E) TO TAL</b>		<b>519,744,773</b>		<b>582,827,360</b>	<b>63,082,587</b>	<b>12.1%</b>
60	<b>II. Board and Voted Leeway Programs:</b>						
61	A. Voted Leeway Program		175,975,385		196,085,303	20,109,918	11.4%
62	B. Board Leeway Program		48,387,919		54,704,476	6,316,557	13.1%
63	C. Board Leeway/Other--Perf. Plus		15,000,000		15,000,000		
64	<b>Voted and Board Leeway Programs TO TAL</b>		<b>239,363,304</b>		<b>265,789,779</b>	<b>26,426,475</b>	<b>11.0%</b>
65	<b>Minimum School Program - I - II Subtotal</b>		<b>2,247,925,277</b>		<b>2,481,924,225</b>	<b>233,998,948</b>	<b>10.4%</b>
66	<b>III. One Time Appropriations TO TAL</b>		<b>10,579,000</b>		<b>21,300,000</b>	<b>10,721,000</b>	<b>101.3%</b>
67	<b>MINIMUM SCHOOL PROGRAM (I - III) TOTAL</b>		<b>\$2,258,504,277</b>		<b>\$2,503,224,225</b>	<b>\$244,719,948</b>	<b>10.8%</b>
68	<b>School Building Program</b>		<b>\$32,288,900</b>		<b>\$37,288,900</b>	<b>\$5,000,000</b>	<b>15.5%</b>
69	<b>One Time Appropriations Summary</b>		<b>(\$5,000,000)</b>			<b>\$5,000,000</b>	
70	1. Literacy and math materials						
71	1. Electronic High School						
72	2. Adult Education						
73	3. UPASS Technology - On line Testing		2,500,000			<b>(\$2,500,000)</b>	-100.0%
74	3. Charter School Local Replacement Funding						
75	1. Teacher Supplies & Materials		6,079,000		7,000,000	\$921,000	15.2%
76	5. One time Funding - Math, Reading, UBSCT						
77	2. One time Funding - Transportation				5,000,000	\$5,000,000	
78	7. PEJEP Math/Science Teacher Incentives		2,000,000			<b>(\$2,000,000)</b>	-100.0%
79	3. Library Books and Supplies				2,000,000	\$2,000,000	
80	4. Charter School Funding				7,100,000		
81	5. Charter School Administration Funding				200,000		
82	<b>III. One Time Appropriations TOTAL</b>		<b>10,579,000</b>		<b>21,300,000</b>	<b>\$10,721,000</b>	<b>101.3%</b>

Table 2-5

**CHAPTER 3 MSP – BASIC SCHOOL PROGRAM – REGULAR PROGRAMS****KINDERGARTEN****Function**

The kindergarten program provides revenues to school districts and charter schools to support educational services provided through half-day kindergarten programs. The state core curriculum for kindergarten identifies key concepts in kindergarten instruction, “in kindergarten, reading, writing, and mathematical skills should be emphasized as integral to the instruction in all other areas. [...] Kindergarten students engage in many activities that help them develop oral language and literacy. Kindergarten students take part in language activities that extend their vocabulary, conceptual knowledge, and phonological awareness. Students learn to follow directions and develop the language of schooling.”<sup>13</sup> In addition to the educational skills learned in kindergarten, students develop social skills associated with functioning in a school setting.

*Formula*

The state distributes kindergarten funds on a WPU basis. A kindergarten WPU equals 0.55 of a total WPU. The formula distributes funding to school districts and charter schools on per WPU basis, “which equals prior year Kindergarten ADM [Average Daily Membership] plus growth multiplied by 0.55. The weight of 0.55 reflects the fact that kindergarten in Utah normally is in session for approximately half of a normal school day.”<sup>14</sup> Kindergarten ADM represents one student enrolled in a kindergarten program for at least 450 hours within a school year.

**Statutory Authority**

Two sections of Utah code apply specifically to kindergarten programs offered in the school districts and charter schools.

- UCA 53A-3-402.7 – requires each school district to offer kindergarten classes for children residing in the school district and provides that these students receive funding allocated through the MSP.
- UCA 53A-17a-106 – establishes the 0.55 weighting used in the formula for computing kindergarten WPUs

The State Board of Education has passed administrative rules that defining kindergarten programs. The governing rule may be found in Administrative Rules R277-419-1.

**GRADES 1 THROUGH 12****Function**

The Grades 1 through 12 Program is the largest single program within the MSP. Funding supports educational services provided by school districts and charter schools in the first through twelfth grade. Educational services include educator compensation, textbooks, supplies, materials, support personnel, and many other functions, people and programs that support the basic education programs in these grades.

<sup>13</sup> Utah State Office of Education, Elementary Core Curriculum, May 2003.

<sup>14</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

*Formula*

Funding distributed through the program accounts for approximately 86 percent of the Regular Basic School Program and 45 percent of the total MSP. School districts and charter schools receive funds on a WPU basis. Each WPU “equals prior year Grades 1-12 ADM plus growth.”<sup>15</sup> WPUs allocated for the Grades 1-12 Program more closely reflects a 1 WPU to 1 student (ADM) match than any other MSP program.

The formula governing revenue distribution treats Grade 1 slightly different than Grades 2-12. “To count as one full (1.0) ADM, a student in Grade 1 must be enrolled for at least 810 hours of instruction during the school year; student in Grades 2 through 12 must be similarly enrolled for 990 hours.”<sup>16</sup> Students enrolled less than the hours indicated are allocated prorated ADMs by the formula. A third grade student enrolled for 495 hours generates half of an ADM student.

**Statutory Authority**

Statute provides two sections that reference educational services provided in grades 1 through 12.

- UCA 53A-1-603 – requires the State Board of Education to develop assessment methods for students in grades 1 through 12.
- UCA 53A-17a-106 – establishes the mechanism used in determining WPUs for grades 1 through 12.

Through Administrative Rules, the State Board of Education has established instructional hour and WPU accounting guidelines for the Grades 1 through 12 Program. Please refer to Administrative Rule R277-413-3 more detail.

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<sup>15</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>16</sup> Ibid.



**NECESSARILY EXISTENT SMALL SCHOOLS****Function**

The program assists school districts in operating schools in remote areas with few students to attend the school. Schools in remote areas and with only a few students per grade or class are expensive to operate. Schools meet necessarily existent standards if “one-way bus travel over Board approved bus routes from the school to the nearest school within the district of the same type requires: students in kindergarten through grade six to travel more than 45 minutes; students in grades seven through twelve to travel more than one hour and 15 minutes.”<sup>17</sup> In addition to the distance requirement, schools must not exceed a maximum enrollment threshold based on the ADM of the school.

*School Size Limits*

A necessarily existent school does not exceed the following ADM thresholds.

- 160 ADM for elementary schools (including kindergarten)
- 300 ADM for one or two-year secondary schools
- 450 ADM for three-year secondary schools
- 550 ADM for four-year secondary schools
- 600 ADM for six-year secondary schools

*Application Required*

In order for a school to qualify for necessarily existent status, the school district must apply to the State Board of Education on behalf of the school. “Upon application by each school district, the State Board of Education shall, in conjunction with local school boards, classify particular schools in each district as necessarily existent small schools.”<sup>18</sup> Charter schools are not necessarily existent small schools and do not qualify for program funding.

*Formula*

Funding is allocated to a school district with qualifying schools on a WPU basis. Program WPUs are determined by “a regression formula based on prior year ADM and school grade span.”<sup>19</sup> The following table provides the school size and WPU allocations based on the regression formula and size of school.

**Necessarily Existent Small Schools**  
School Type, Maximum ADM & WPUs Per School

School Type	Maximum ADM	Maximum WPUs Per School
Elementary	160	54.8
1 or 2 Year Secondary	300	119.1
3 Year Secondary	450	134.0
4 Year Secondary	550	140.7
6 Year Secondary	600	150.4

Source: Utah State Office of Education, Finance and Statistics.

Prepared by: Office of the Legislative Fiscal Analyst (11/06BL).

**Table 3-1**

<sup>17</sup> Utah State Board of Education, Board Rule – R277-445-3.

<sup>18</sup> UCA 53A-17a-109 – Necessarily existent small schools.

<sup>19</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

**Statutory Authority** The Necessarily Existent Small Schools Program is governed by the following statute.

- UCA 53A-17a-109 – establishes application, qualification, and WPU regulations for the governance of the Necessarily Existent Small Schools Program. Statute provides a mechanism that prevents financial penalties to a school district resulting from school consolidation efforts.

The State Board of Education has passed administrative rules to further govern the Necessarily Existent Small Schools Program. The governing rule may be found in Administrative Rules R277-445.

## PROFESSIONAL STAFF

**Function** The Professional Staff Program provides additional revenue to school districts to support in “recruiting and retaining highly educated and experienced educators for instructional, administrative and other types of professional employment in public schools.”<sup>20</sup> The program provides extra weighted pupil units for professional staff experience and training to offset the higher cost associated with these educators. School districts and charter schools may use program revenues in a variety of ways, which may include signing and retention bonuses.

*Formula* By providing additional revenue for staff training and experience, the state recognizes the cost differential associated with more experienced educators. The program formula distributes revenue on a WPU basis to qualifying school districts and charter schools. Program WPUs are calculated as follows “(1) multiply the number of FTE licensed staff in each applicable experience category by the applicable weight, which is given in statute. (2) Divide the product from #1 by the number of licensed staff included in #1 and reduce the quotient by 1.00. (3) Multiply the result from #2 by one-fourth of the total WPUs generated by Kindergarten, Grades 1-12, and Necessarily Existent Small Schools programs.”<sup>21</sup> The following table provides the statutory weightings.

<sup>20</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>21</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

**Professional Staff Cost Formula**  
Statutory Weighting Schedule for Determining Program WPU's

Years of Experience	Bachelor's Degree	Bachelor's Degree + 30 Qt. Hr.	Master's Degree	Master's Degree +45 Qt. Hr.	Doctorate
1	1.00	1.05	1.10	1.15	1.20
2	1.05	1.10	1.15	1.20	1.25
3	1.10	1.15	1.20	1.25	1.30
4	1.15	1.20	1.25	1.30	1.35
5	1.20	1.25	1.30	1.35	1.40
6	1.25	1.30	1.35	1.40	1.45
7	1.30	1.35	1.40	1.45	1.50
8	1.35	1.40	1.45	1.50	1.55
9			1.50	1.55	1.60
10				1.60	1.65
11					1.70

Source: UCA 53a-17a-107

Prepared by: Office of the Legislative Fiscal Analyst (11/06BL).

**Table 3-2**

**Statutory Authority**

The Professional Staff Program is governed by one statute within the Utah Code.

- UCA 53A-17a-107 – details how program WPU's are computed and distributed. This statute also provides the weighting schedule mentioned above and other regulations governing the program.

Administrative Rule R277-486 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Professional Staff Program.

**ADMINISTRATIVE COSTS**

**Function**

Program funding assists school districts and charter schools with administrative expenses. The Administrative Cost Program provides additional revenue to school districts and charter schools (especially those with low enrollment). Districts and charter schools may use the funds to support administrative functions, conduct audits, and prepare reports.

*Formula*

School districts and charter schools receive program revenues on a WPU basis. The formula contains a weighting mechanism which allocates more WPU's to districts with lower total student enrollment. The formula treats all charter schools as if they belonged to one school district.

Program funding does not cover all administrative costs. School districts and charter schools may use additional revenue sources, including state, local and federal revenues to support administrative functions.

School districts qualify for program WPU's based on their total student enrollment. Statute provides an Administrative Cost Schedule that assigns WPU's based on district enrollment established through the October 1

enrollment count. The Administrative Cost Schedule provides the following enrollment benchmarks.

- 1 – 2,000 Students 53 WPU's
- 2,001 – 10,000 Students 48 WPU's
- 10,001 – 20,000 Students 25 WPU's
- 20,001 and above 16 WPU's

The formula treats charter schools as if they belonged to one school district. The total number of students enrolled in charter schools is used to determine the number of WPU's allocated for charter schools based on the above schedule. Charter schools currently receive 25 WPU's. Revenue generated through the program is divided among all charter schools.

#### *Charter Schools*

Questions associated with the treatment of charter schools under this program surfaced during the 2005 and 2006 General Sessions. As the enrollment in charter schools increases (primarily through the approval of more charter schools) the amount of MSP revenue to support administration decreases. However, the total number of local administrative entities increases – thus increasing the total cost of administration in charter schools as a whole.

The Administrative Cost Schedule was developed for situations commonly found in school districts. As enrollment increases, school districts (as one administrative entity) can better cover administrative expenses because they receive more revenue as a result of higher enrollments that can offset some administrative expenses. Due to the nature of charter schools, these 'economies of scale' are not reached.

#### **Statutory Authority**

The Administrative Cost Program is governed by the following statute.

- UCA 53A-17a-108 – details the calculation of administrative cost WPU's for distribution to school districts. This statute also provides the enrollment thresholds for the Administrative Cost Schedule.

**CHAPTER 4 MSP – BASIC SCHOOL PROGRAM – RESTRICTED PROGRAMS****SPECIAL EDUCATION – REGULAR PROGRAM – ADD-ON WPUs****Function**

The Special Education Add-On WPU program is the largest of five programs serving special education students enrolled in Utah's schools. The Add-On WPU program serves more than 50,000 students. These students range in age from 5 through 21 (the maximum age that students may remain in the public education system). Special education students must receive a free, appropriate education consistent with state and federal mandates.

An Individual Education Plan (IEP) governs the educational services provided to each special education student. An IEP committee comprised of parents, teachers, support personnel and administrators determines the educational needs of each student and the required services to meet these needs. These services can range from a 15 minute per-week session to one-on-one instruction for six hours each day. A student's IEP may require other related services, such as physical therapy and occupational therapy, in order for the student to benefit from special education.

Cost estimates indicate that it is 1.5 to 6.2 times more expensive to educate a special education student (depending on severity of need) as to educate a traditional student. Special services such as prescriptive speech therapy, physical therapy, occupational therapy, psychological and behavioral management, and adaptive physical education may significantly increase the costs associated with providing educational services.

**Formula**

The allocation of special education dollars to school districts and charter schools is accomplished on a WPU basis. Formula determines revenue allocation by using the prior year base WPU count for each district and charter schools and increases by growth WPUs only. The formula determines special education Add-On WPUs based on the "average of Special Education ADM over the previous 5 years (which establishes the 'foundation' below which the current year WPU can never fall) or prior year Special Education ADM plus weighted growth in Special Education ADM."<sup>22</sup>

Growth WPUs are determined each year "by multiplying Special Education ADM from two years prior by the percentage difference between Special Education ADM two years prior and Special Education ADM for the year prior to that."<sup>23</sup> The increase is multiplied by 1.53 weighted pupil units for each new student and added to the foundation allocation to determine each district's or charter school's total WPU allocation. "This weight is intended to account for the additional cost of educating a special education student,"<sup>24</sup> but may not account for all of the costs associated with educating a special education student.

**Formula Restrictions**

The Add-On WPU formula contains two restrictions on increasing the number of WPUs allocated to a school district or charter school. First, "the Special

<sup>22</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

Education ADM values used in calculating the difference cannot exceed the ‘prevalence’ limit of 12.8% of total district ADM.”<sup>25</sup> Second, “if this measure of growth in Special Education exceeds current year growth in Fall Enrollment, growth in Special Education is set equal to growth in Fall Enrollment.”<sup>26</sup>

### **Statutory Authority**

Both State and federal law provide statutory mandates for special education. The State Board of Education is required to provide proper education and training for all students with disabilities in this State. The Individuals with Disabilities Education Act (IDEA), Part B, requires that a free and appropriate public education be provided all eligible students with disabilities and provides federal financial assistance to carry out the mandate. Utah's Special Education Legislation, passed in 1953 and amended in 1959, predated the federal law (IDEA) which was signed in 1975.

The special education Add-On WPU program is governed by the following statutes.

- UCA 53A-17a-111 – provides the statutory provisions governing the special education Add-On formula used in determining the number of WPUs for district and charter school allocation.
- UCA 53A-15-301 et. seq. – details student qualification for special education services, establishes guidelines for the State Board of Education in providing special education services, requires the State Board of Education to appoint a special education director, as well as other governing definitions and requirements associated with providing special education services.

Administrative Rule R277-750 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Add-On special education program.

## **SPECIAL EDUCATION – REGULAR PROGRAM – SELF-CONTAINED WPUS**

### **Function**

The special education Self-Contained WPU Program compensates “for the higher cost of providing more extensive educational services to students who are in a self contained setting,”<sup>27</sup> rather than a partially matriculated special education setting. ‘Self Contained’ means that a student is enrolled in a special education class for 180 minutes or more each school day. Self-contained students do not generate a regular WPU.

### *Formula*

The Self-Contained WPUs are the standard full WPU for every student (ADM) that qualifies as a Self-Contained Special Education student. The Add-on (detailed above) provides additional resources to fund programs for Self-Contained students and for other students that do not qualify as a Self-Contained special education student. Costs are formula driven as they

<sup>25</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

represent charges for actual services provided. Program WPUs “equal Self-Contained ADM from two years prior.”<sup>28</sup>

**Statutory Authority** Please refer to the statutory provisions and State Board of Education rules identified in the Add-On WPU section above.

### **SPECIAL EDUCATION – PRESCHOOL**

**Function** The Special Education – Preschool Program provides educational services to children with disabilities who are three to five years of age. Since 1992, Federal law (Public Law 99-457) requires that children with disabilities three to five years receive an appropriate free public education.

*Formula* Program WPUs equal “special education preschool enrollment (aged 3 through 5 excluding 5-year-old special education students enrolled in Kindergarten) as of December 1.”<sup>29</sup> The program formula provides a weighting factor of 1.47 of the value of the WPU for each student enrolled in the preschool program. Growth is defined as the actual increase in the number of children, age three through preschool aged five, reported on December 1st child counts.

*Formula Restrictions* The formula excludes children served by the Utah Schools for the Deaf and the Blind. Student growth in the preschool program cannot exceed 8 percent annually. This 8 percent growth cap is used in the formula for budget requests and fund distribution. If this growth is not realized, the budget request is reduced to equal the actual growth realized.

The formula is: "A factor of 1.47 times the current December 1st child count of eligible preschool aged 3,4 and 5 year olds times the WPU value"; (with a limit of 8 percent growth over the prior year December 1st count)

**Statutory Authority** The Special Education Preschool Program is governed by the following statutes.

- UCA 53A-17a-112 – establishes requirement for the allocation of program funds, determining WPUs and provides for the formula restrictions mentioned above.

### **SPECIAL EDUCATION – EXTENDED YEAR PROGRAM FOR THE SEVERELY DISABLED**

**Function** Extended School Year Program provides “a longer school year for those students with disabilities whose regression over school breaks is so severe that an inordinate amount of time is necessary to recoup previous learning.”<sup>30</sup> The program is restricted to severely disabled students, because of the severity of their disability will not maintain skills gained in the regular school year unless they receive education during the summer months. Without this program many of these students would spend much of the next year regaining the skills they had learned during the previous school year.

<sup>28</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<i>Formula</i>	Program is funded on a WPU basis. WPUs are “derived from aggregate hours of extended year educational service.” <sup>31</sup>
<b>Statutory Authority</b>	<p>The Extended Year Program is governed by the following statute.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-17a-112 – provides statutory limitations for the use of monies appropriated to support the Extended Year Program and students qualified to receive Extended Year services.</li> </ul> <p>Administrative Rule R277-751 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Extended Year Program for the Severely Disabled Program.</p>

### SPECIAL EDUCATION – STATE PROGRAMS

<b>Function</b>	State Programs provide funding for special education programs in state institutions as well as for district impact aid. Impact aid is provided to districts and charter schools “to support districts in serving special education students whose extensive needs cost the district more than \$15,000 per student.” <sup>32</sup>
<b>Statutory Authority</b>	Please refer to the statutory provisions and State Board of Education rules identified in the previous Special Education sections.

### CAREER AND TECHNOLOGY EDUCATION – DISTRICT ADD-ON

<b>Function</b>	<p>The Career and Technology Education Program (a.k.a. Applied Technology Education) uses collaborative partnerships between education, business, and industry to develop quality educational programs to ensure a skilled and educated workforce. Currently, Career and Technology Education (CTE) is provided in both the public and higher education systems. Nine of the ten Utah System of Higher Education (USHE) institutions (excluding the University of Utah), the nine campuses of the Utah College of Applied Technology (UCAT) and 40 school districts provide Career and Technical Education programs. Public school students receive CTE services from the school district or on UCAT campuses.</p> <p>CTE programs in higher education, including UCAT focus on job preparation and offer short-term, competency-based training programs tailored for business and industry ending in certificates or associate degrees. Public Education programs concentrate on offering exploratory and basic skill training, although in some instances advanced training is provided.</p>
<i>Formula</i>	CTE District Add-On funds compensate school districts and charter schools offering CTE courses “for the higher cost of state approved CTE courses provided either directly by districts or through external providers [UCAT Institutions] on contract to districts.” <sup>33</sup> Funds are distributed to school districts based on four criteria.

<sup>31</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.



1. 84.4 percent is distributed through general allocation.
2. 12 percent is distributed based on competency measures.
3. 2.2 percent supports summer agriculture programs.
4. The remaining (approximately 1.4 percent) supports Student Leadership Organizations.

School districts receive CTE Add-On funding proportionally based on “prior year CTE ADM plus growth. Growth is added only if CTE ADM has grown in each of the two prior years up to a maximum of 10 percent; if CTE ADM declines, the district is held harmless (growth is set equal to 0%).”<sup>34</sup>

**Statutory Authority** The Career and Technology Education Add-On program is governed by the following statute.

- UCA 53A-17a-113 – establishes the method for calculating WPUs for CTE programs as well as qualifying criteria and performance measures.

#### CAREER AND TECHNOLOGY EDUCATION – SET-ASIDE

**Function** The CTE Set-Aside provides funding to “continue high priority CTE programs or to purchase equipment needed to initiate new CTE programs.”<sup>35</sup>

**Formula** Each school district is guaranteed a base level of funding. School districts use these funds to start new programs, purchase equipment, or provide for program administration. Each school district receives under the program a base allocation of \$10,000. The remaining allocation is divided among school districts in two ways, 50 percent proportionately based on prior year CTE ADM and 50 percent through an RFP process.

**Statutory Authority** The following statute governs the Career and Technology Education Set-Aside program.

- UCA 53A-17a-116 – details the distribution formula for CTE Set-Aside funds discussed in the *formula* section above.

Administrative Rule R277-911 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the CTE Set-Aside Program.

#### CLASS SIZE REDUCTION

**Function** The Legislature began appropriating funding for class size reduction in 1994 with an original appropriation of \$4,389,500. Over the past 13 years, the annual allocation for class size reduction program has increased to more than \$74,300,000 in FY 2007. Funding is targeted for class size reduction efforts in Kindergarten through the 8<sup>th</sup> grade.

<sup>34</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>35</sup> Ibid.

<i>Formula</i>	The Class Size Reduction formula distributes revenue on a WPU basis to school districts and charter schools based on their prior year K-8 ADM plus student growth in grades K-8.
<i>Formula Restrictions</i>	<p>School districts and charter schools must use 50 percent of their allocation on reducing class size in grades K-2. If the average K-2 class size for the district or charter school falls below 18, the school district or charter school “can seek State Board of Education for approval to use these funds for class size reduction in grades 3-8.”<sup>36</sup></p> <p>Up to 20 percent of class size reduction funds may support capital facility projects that help reduce class size. School districts and charter schools with increasing enrollment may use a higher percentage of class size reduction funds on capital projects. School districts and charter schools that experience student enrollment increases of “5% or 700 students in enrollment from the previous year may use up to 50% of the allocation for classroom construction.”<sup>37</sup></p>
<b>Statutory Authority</b>	<p>The Class Size Reduction Program is governed by the following statute.</p> <ul style="list-style-type: none"><li>➤ UCA 53A-17a-124.5 – defines the funding formula and formula restrictions for the program and provides for an annual adjustment in the level of funding allocated to support the program.</li></ul>

<sup>36</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>37</sup> Ibid.

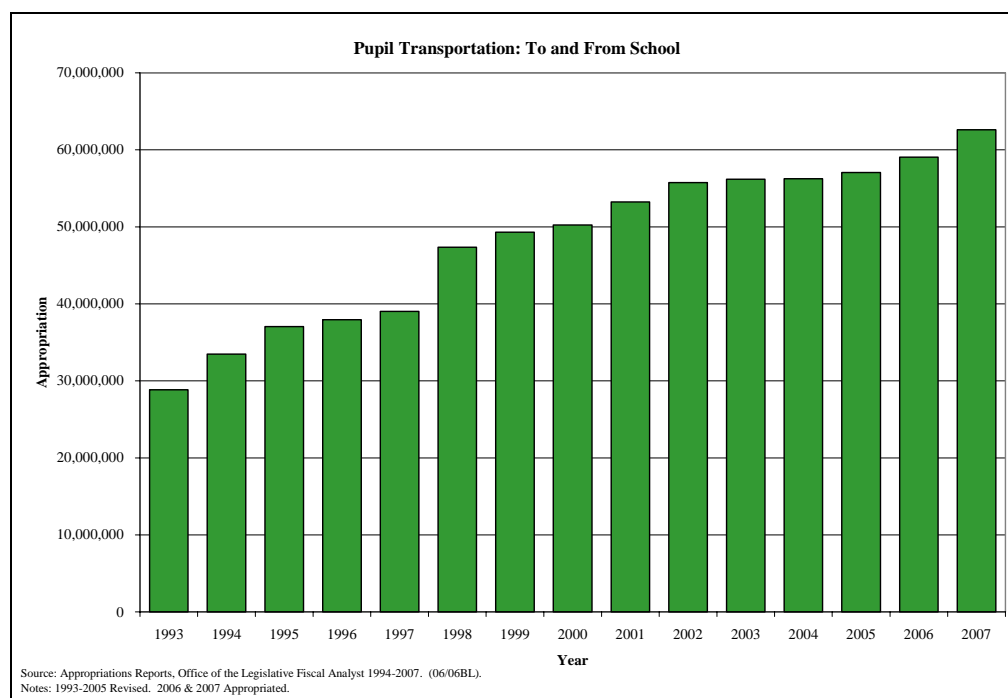
**CHAPTER 5 MSP – RELATED TO BASIC PROGRAMS****SOCIAL SECURITY AND RETIREMENT**

<b>Function</b>	The Social Security and Retirement Program compensates school districts and charter schools for Social Security and Retirement costs associated with the Basic School Program (WPU driven programs). The amount of revenue required to support Social Security and Retirement costs in the Basic School Program is determined by formula based on the number of WPUs adopted by the Legislature.
<i>Formula</i>	Revenue appropriated to school districts and charter schools for Social Security and Retirement is distributed proportionately based on current year Weighted Pupil Units. Statutory provisions provide for changes in the amount of revenue appropriated to support the Social Security and Retirement Program based on student growth, the percent increase to the value of the WPU, and any changes to the retirement rate established by the Utah Retirement System.
<b>Statutory Authority</b>	The following statute governs State support for the Social Security and Retirement program. <ul style="list-style-type: none"> <li>➤ UCA 53A-17a-125 – provides statutory detail for the distribution formula detailed above. Further, the statute provides for employee and employer contribution rates based on a contributory or non-contributory program.</li> </ul>

**PUPIL TRANSPORTATION – TO AND FROM SCHOOL PROGRAM**

<b>Function</b>	The To and From School Program provides revenue to assist the State's 40 school districts in providing pupil transportation services. "These funds are to be used to transport students to and from school who are eligible for bussing based on the distance they live from school, and to pay for equipment and administrative expenses." <sup>38</sup> To and From School funds are also used by school districts to pay for "in lieu of" transportation expenses as an alternative to busing some students. Program funding also supports the establishment of guidelines for personnel training, as well as guidelines for bus routing and mapping.
<i>Funding History</i>	During the 2006 General Session, the Legislature appropriated \$62,601,763 to support the To and From School Program in FY 2007. Included in this figure is \$2,173,569 to support pupil transportation at the Utah Schools for the Deaf and Blind. The remaining \$60,428,194 supports pupil transportation in the school districts. This amount represents an increase of \$3,543,496 or 6 percent over the total FY 2006 appropriation for pupil transportation programs. In addition, the Legislature provided \$5,000,000 in one-time Uniform School Fund revenue to support Pupil Transportation activities in the school districts in FY 2006 and FY 2007. The following chart provides a history of To and From School pupil transportation appropriations made by the Legislature over the past 15 years.

<sup>38</sup> Utah School Finance Reference Manual. Utah State Office of Education. 2000-2001.

**Figure 1**

The above chart shows that over the past 15 years the Legislature has doubled the amount of Uniform School Fund revenue appropriated to the To and From School Program. The table only represents the ongoing funding appropriated by the Legislature and does not include any additional one-time revenue appropriated to support pupil transportation programs.

*Pupil Transportation  
Increases Reflects  
Increase in the  
Weighted Pupil Unit*

Historically, the percent increase appropriated by the Legislature to support pupil transportation closely reflects the percent increase provided to the value of the Weighted Pupil Unit (WPU). The following chart compares the percent increase in pupil transportation funding to the percent increase in the value of the WPU over the past 12 years.

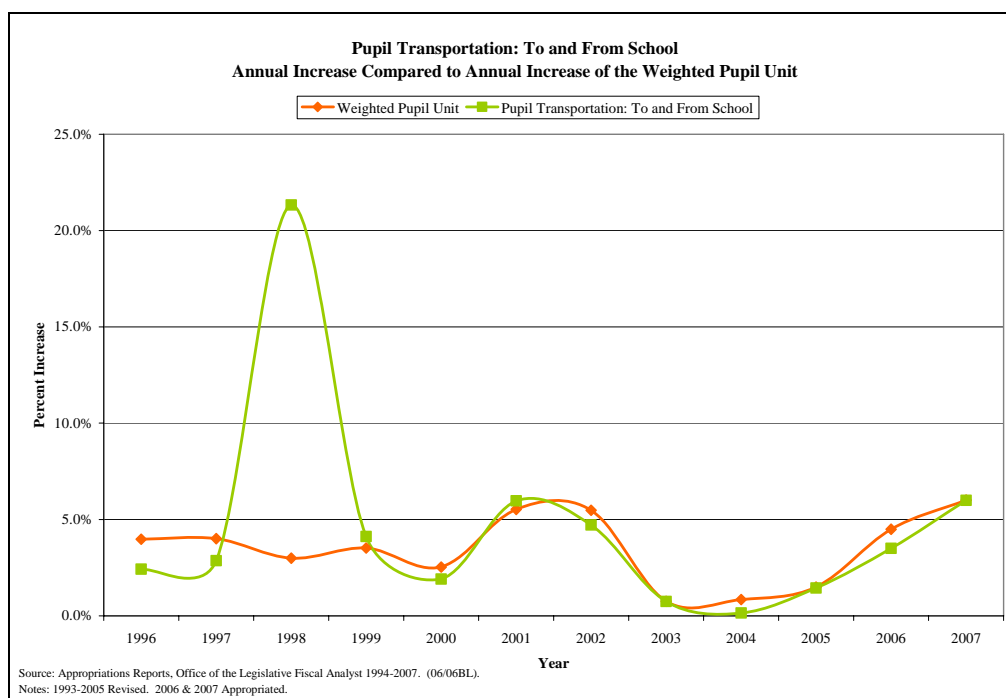


Figure 2

Fiscal Year 1998 presents an anomaly in Pupil Transportation – To and From School Funding over the past 12 years. According to the FY 1998 Budget Analysis prepared by the Office of the Legislative Fiscal Analyst this funding spike was to correct under-funding prior to 1998: “The funding formula for transportation has been under-funded for the past number of years. This recommendation is intended to make up the shortfall.”<sup>39</sup>

### Formula

State revenue is distributed to the school districts based on the Transportation Finance Formula. This formula includes the statutory required items, namely, “an allowance per mile for approved bus routes; an allowance per hour for approved bus routes; and an annual allowance for equipment and overhead costs based on approved bus routes and the age of the equipment.”<sup>40</sup> School districts only receive state revenue for transporting eligible students as defined by statute.

### Transportation Finance Formula

The Utah State Office of Education (USOE) developed the Transportation Finance Formula to govern the distribution of State To-and-From School transportation funds. The USOE formula is divided into two schedules and the total state revenue received by a school district is the sum of these two schedules. “Schedule A is comprised of (1) an allowance for mileage, (2) and allowance for time, and (3) and allowance for equipment (school buses) and administration (front office salaries and benefits). Schedule B is comprised of miscellaneous pupil transportation expenses that are not ‘formula’ driven.”<sup>41</sup> Each of these schedules is explained in greater detail below.

<sup>39</sup> Budget Analysis. Office of the Legislative Fiscal Analyst, Fiscal Year 1998. Minimum School Program.

<sup>40</sup> UCA 53A-17a-127. Eligibility for state supported transportation – Approved bus routes – Additional local tax.

<sup>41</sup> Utah State Office of Education. Finance and Statistics Section. Transportation Finance Formula. Downloaded from <http://www.schools.utah.gov/finance/transportation/default.htm>, July 2006.

*Transportation  
Formula – Schedule A*

Schedule A represents the portion of state revenue received by a school district that is ‘formula driven.’ School districts receive these funds by transporting eligible students to and from school. Schedule A contains four components. These components, when summed, determine the level of funding a school district receives under Schedule A. Each of the Schedule A components are detailed below:<sup>42</sup>

1. Time Allowance – school districts are paid a rate that “reflects the state average cost per minute for driver salaries, retirement, social security and health and accident insurance.”
2. Mileage Allowance – school districts are paid a rate that “reflects the state average cost per mile for bus fuel, lubrication, tires/tubes, and repair parts.”
3. Depreciation Allowance – school districts are paid a rate that “amortizes the current state contract price of a standard equipped 84 passenger bus over the expected life (200,000 miles) of the bus.
4. Administration Allowance – school districts are provided funds for the “salaries and benefits of district transportation administrators. The calculation for administrative allowance consists of three parts: an allowance for pupils transported, and allowance for route minutes, and an allowance for route miles.”

The following table shows the total state revenue distribution of Schedule A formula funds. Appendix IV provides the state revenue distribution for both Schedule A and Schedule B formula components for the 2004-2005 and 2005-2006 school years.

Pupil Transportation: To and From School School District Reimbursement Formula - Schedule A		
	Fiscal Year	
	2005	2006
Total Riders	154,424	147,411
Total Minutes	99,000,193	98,464,687
Total Miles	25,342,207	25,044,421
Schedule A		
Time Allowance	\$33,660,067	\$33,477,994
Mileage Allowance	\$8,095,078	\$8,009,170
Administration and Equipment	\$14,295,668	\$15,651,323
Total	\$56,050,813	\$57,138,487

Source: Utah State Office of Education, Finance and Statistics Section

Pupil Transportation. July 2006.

Prepared by: Office of the Legislative Fiscal Analyst (07/06BL).

**Table 5-1**

<sup>42</sup> Utah State Office of Education. Finance and Statistics Section. Transportation Finance Formula. Downloaded from <http://www.schools.utah.gov/finance/transportation/default.htm>, July 2006.

Each of the Schedule A components listed above has a reimbursement rate that governs the distribution of Schedule A revenue. Additional information on Schedule A reimbursement rates may be found in the “Transportation Finance Formula – Annual Review and Adjustment” section below.

### *Transportation Formula – Schedule B*

Schedule B of the transportation formula is much less complex than Schedule A. Essentially, school districts receive Schedule B revenue through application. School districts may “request state reimbursement for miscellaneous, non-formula related expenses incurred in transporting eligible students.”<sup>43</sup> Approximately \$1.5 million in Schedule B funds were distributed to school districts for the 2004-2005 and 2005-2006 school years. The following table shows the distribution of state revenue under Schedule B. Appendix IV provides the total state revenue distribution for each of the two schedules.

Pupil Transportation: To and From School School District Reimbursement Formula - Schedule B		
	Fiscal Year	
	2005	2006
Schedule B		
Expenditures	\$1,502,160	\$1,443,890
Total	\$1,502,160	\$1,443,890

Source: Utah State Office of Education, Finance and Statistics Section

Pupil Transportation. July 2006.

Prepared by: Office of the Legislative Fiscal Analyst (07/06BL).

**Table 5-2**

### *Formula Totals*

Schedule A represents the largest component of the Transportation Finance Formula. All but 2.5 percent of formula funds are distributed through Schedule A. In FY 2005, a total of \$57.6 million was distributed through Schedules A and B. This amount increased by approximately \$1 million in FY 2006 to \$58.6 million.

### **Statutory Authority**

The statutory authority for Pupil Transportation rests primarily in three statutes. These statutes provide for the funding and governance structure for pupil transportation in the State. Full text of the Pupil Transportation statutes may be found in the appendix.

- UCA 53A-17a-104(o)(p) – Provides the annual appropriation supporting pupil transportation to and from school and the guarantee transportation levy. This statute also details the amount of revenue allocated to the Utah Schools for the Deaf and Blind to support related transportation activities.
- UCA 53A-17a-126 – Provisions detail how funding appropriated in UCA 53A-17a-104 are to be distributed among the school districts and the Utah Schools for the Deaf and Blind. The statute requires a pro-

<sup>43</sup> Utah State Office of Education, Finance and Statistics Section. Transportation Finance Formula. Downloaded from <http://www.schools.utah.gov/finance/transportation/default.htm>, July 2006.

rata reduction among revenue recipients should insufficient funds be appropriated by the Legislature to cover the total cost of pupil transportation in the state.

- UCA 53A-17a-127 – Details the eligibility requirements to receive state-supported pupil transportation funds and establishes a state Transportation Advisory Committee. Eligible students must reside 1 ½ miles from school (grades K-6) or 2 miles from school (grades 7-12) to qualify for state transportation funding.

The statute provides three factors for distributing transportation funds to the school districts: “an allowance per mile for approved bus routes; an allowance per hour for approved bus routes; and an annual allowance for equipment and overhead costs based on approved bus routes and the age of the equipment.” Through this statute the Utah State Office of Education “shall annually review the allowance per mile, the allowance per hour, and the annual equipment and overhead allowance and adjust the allowance to reflect current economic conditions.”

Finally, this statute provides a mechanism for school districts to provide transportation to students that do not qualify under the provisions listed above. School districts may provide these services by using the general funds of a district or imposing a property tax rate. The “Guarantee Transportation Levy” is a state supported levy that ensures that each district imposing a minimum levy (provided in statute) will receive state guarantee funds. The statute further details the levy provisions and establishes a mechanism for the distribution of state Guarantee Transportation Levy funds.

Administrative Rule R277-600 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of Pupil Transportation.

## **PUPIL TRANSPORTATION – GUARANTEE TRANSPORTATION LEVY**

### **Function**

The Guarantee Transportation Levy assists a minority of small school districts in providing pupil transportation services not covered through the Transportation Finance Formula. The program also assists these districts with the added transportation costs associated with remote locations and small populations.

A district can levy a tax to purchase new buses, provide special busing for hazardous walking areas, and fund transportation costs associated with field and activity trips. A local school board qualifies if it levies at least the minimum special transportation tax rate of 0.0002 (FY 2003), and the levy imposed by the district is not enough to generate at least 85% of the state average cost per mile for the purposes listed above.

The following table provides the level of state revenue received by the eleven districts that currently receive funds under the Guarantee Transportation Levy.



Pupil Transportation: Guarantee Transportation Levy State Revenue Distribution to School Districts Fiscal Year 2006		
School District	Guarantee Transportation Levy	Percent of Total
Beaver	\$6,787	1.4%
Daggett	15,987	3.2%
Duchesne	93,453	18.7%
Garfield	80,476	16.1%
North Sanpete	19,469	3.9%
North Summit	23,846	4.8%
Piute	17,911	3.6%
Rich	20,659	4.1%
San Juan	200,781	40.2%
South Sanpete	7,261	1.5%
Wayne	13,370	2.7%
<b>Total</b>	<b>\$500,000</b>	

Source: Utah State Office of Education, Finance and Statistics

State Supported Minimum School Program for Utah Public Schools

Mid-Year Update, December 2005.

Prepared by: Office of the Legislative Fiscal Analyst (07/06BL).

**Table 5-3**

State revenue supporting the Guarantee Transportation Levy has remained stable for the past six years at \$500,000 annually. In FY 2002 the Legislature increased the annual appropriation to the Guarantee Transportation Levy by \$275,000 from the original allocation of \$225,000.

**Statutory Authority**

Please refer to the statutory provisions and State Board of Education rules identified in the Pupil Transportation – To and From School Program.

**PUBLIC EDUCATION JOB ENHANCEMENT PROGRAM – MATH & SCIENCE TEACHER RECRUITMENT**

**Function**

The Public Education Job Enhancement Program (PEJEP) was established to “attract, train, and retain, teachers in Special Education (PreK-12) and secondary school educators (7-12) in math, physics, chemistry, physical science, information technology, and learning technology.”<sup>44</sup> PEJEP contains two award programs for teachers.

- Advancement Award (Scholarship) – are scholarships to “encourage teachers to earn additional education leading to endorsements, degrees and advanced degrees for secondary teachers in math, physics, chemistry, physical science, information technology, learning technology, and special education PreK-12.”<sup>45</sup> Receiving a scholarship requires application by a principal or superintendent on behalf of a teacher. Applications may be submitted throughout the year as long as funding is available.

<sup>44</sup> Utah State Office of Education, Educator Quality Services. December 2006.

<sup>45</sup> Ibid.

- Opportunity Award (Signing Bonus) – a school principal, district superintendent (or their designee) may recommend a signing bonus for a new educator. Newly hired educators working in a public school that “agree to a four (4) consecutive year contract to teach in the subject areas defined in 53A-1a-601(1)”<sup>46</sup> qualify to receive a signing bonus. Signing bonus awards are divided into two parts. Educators receive the first half when they sign the contract and the second half is distributed upon the completion of the 4 year commitment. Regulations prohibit a teacher from receiving the signing bonus and scholarship program concurrently.

***PEJEP Committee***

A Public Education Job Enhancement Committee, including representatives from public education, higher education, private industry, and government, creates rules and administers the PEJEP.

**Statutory Authority**

The following statutes govern the Public Education Job Enhancement Program.

- UCA 53A-1a-601 – defines the purpose of the PEJEP program. The statute also determines qualifying teachers, teaching subjects and award program criteria. Further, the statute provides re-payment criteria should a teacher fail to fulfill statutory requirements.
- UCA 53A-1a-602 – provides for the creation of the Job Enhancement committee to administer the PEJEP and details committee membership.

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<sup>46</sup> Utah State Office of Education, Educator Quality Services. December 2006.

**CHAPTER 6 MSP – RELATED TO BASIC PROGRAMS – BLOCK GRANTS**

**Introduction** During the 2001 General Session the Legislature consolidated twenty five categorical programs within the Minimum School Program. The majority of these programs were consolidated into a series of block grants. The Legislature created three Block Grants out of fifteen programs and transferred four programs to the Utah State Office of Education budget. The four categorical programs moved to the USOE include Staff Development, Reading Scholarship Program, Regional Service Center Funding, and Contingency Fund. Finally, the Legislature loosened spending requirements for another six programs (these programs are found in the next chapter).

**INTERVENTIONS FOR STUDENT SUCCESS BLOCK GRANT**

**Function** The Interventions for Student Success block grant is used to “improve the academic performance of students who do not meet performance standards as determined by U-PASS [Utah Performance Assessment System for Students] test results; interventions must be consistent with a district plan approved by the local school board, and the plan must specify intended results.”<sup>47</sup>

The block grant contains six MSP categorical programs that were designed to help the academic progress of students at the greatest risk of falling behind. Consolidated programs include; Truancy Intervention and Prevention, Incentives for Excellence, Alternative Middle Schools, Reading Initiative, Experimental/Developmental Formula, Local Discretionary Program, and Alternative Language Services. Upon consolidation into the Interventions for Student Success Block Grant, individual program identities and allocation formulas associated with the categorical programs were removed.

**Formula** The Interventions for Student Success Block Grant is distributed to school districts and charter schools based on a formula that accounts for district size (student population) and the proportion of English language learners in a school district or charter school. Of the two formula components, 77 percent is distributed based on the total number of WPU's in a district or charter school. Eight percent (of the 77 percent) is distributed equally among school districts (charter schools count as one district). The second component, 27 percent, is distributed based on the proportional number of English language learners.

**Statutory Authority** The following statute governs the Interventions for Student Success Block Grant.

- UCA 53A-17a-123.5 – directs the State Board of Education to establish a fair and equitable distribution formula, requires school districts to develop a plan for the expenditure of block grant funds, and provides restrictions on the use of block grant funds.

Administrative Rule R277-478 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Interventions for Student Success Block Grant program.

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<sup>47</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

**QUALITY TEACHING BLOCK GRANT**

<b>Function</b>	<p>The Quality Teaching Block Grant is used to “implement long term professional development plans in both schools and districts; the plans must be approved by the local school board, and each individual school plan must be consistent with the district plan.”<sup>48</sup> The program was established during the 2003 General Session to provide school districts with maximum flexibility in the use of their funding as appropriated by the State Legislature.</p> <p>The Legislature created the block grant by combining the Career Ladder Program with a \$10 million increase to provide for two additional professional development work-days. The Career Ladder Program was a categorical program within the MSP. Subsequent action by the Legislature removed \$5 million from the block grant (or one extra professional development day).</p>
<i>Formula</i>	<p>School districts and charter schools receive Quality Teaching Block Grant funds on a formula basis proportional to their prior year Regular Basic WPU allocation and prior year licensed FTE level. Charter schools are treated as one school district. The distribution formula distributes 70 percent of program funds based on prior year WPUs and 30 percent based on prior year licensed FTE levels.</p>
<i>Formula Restrictions</i>	<p>Program funds “cannot be used to hire additional staff, to maintain current staffing levels, or to cover administrative costs.”<sup>49</sup></p>
<b>Statutory Authority</b>	<p>The following statute governs the state contribution to the Quality Teaching Block Grant Program.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-17a-124 – requires the State Board of Education to develop a distribution formula that allocates revenue in a fair and equitable manner. Further the statute requires local school boards to use block grant funds to implement school and district comprehensive, long-term professional development plans.</li> </ul> <p>Administrative Rule R277-478 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Quality Teaching Block Grant Program.</p>

**LOCAL DISCRETIONARY BLOCK GRANT**

<b>Function</b>	<p>The Local Discretionary Block Grant Program provides revenue to allow the local school district and charter schools to meet locally determined needs. The block grant resulted from several consolidated MSP categorical programs. Four previous categorical programs include the Un-restricted Local Program, the Education Technology Initiative, Character Education, and School Nurses. Upon consolidation into the Local Discretionary Block Grant, individual program identities and allocation formulas associated with the categorical programs were removed.</p>
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<sup>48</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>49</sup> Ibid.

***Formula***

Consolidation removed former distribution methods and a new distribution formula is based on Regular Basic Program WPUs. The Local Discretionary Block Grant Formula requires that of the total appropriation, 8 percent is distributed equally among all school districts (with charter schools treated as a single school district) and 92 percent on a proportional Regular Basic Program WPU basis.

**Statutory Authority**

The following statute governs the Local Discretionary Block Grant Program.

- UCA 53A-17a-123 – requires the State Board of Education to develop a distribution formula that allocated revenues in a fair and equitable manner. The statute also details expenditure limitations placed on school districts and charter schools.

Administrative Rule R277-478 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Local Discretionary Block Grant Program.



**CHAPTER 7 MSP – RELATED TO BASIC PROGRAMS – SPECIAL POPULATIONS**

**Introduction** Through the process of creating the various block grant programs detailed in Chapter 6, the Legislature created the Special Populations Program. Programs maintained their distribution formulas, statutory provisions, regulations and mandates. Further, free movement of money among any of the Special Populations Programs was granted depending on local decisions and priorities.

**HIGHLY IMPACTED SCHOOLS FUNDING**

**Function** House Bill 172 (1995 General Session) created the Highly Impacted Schools Program. The program provides additional resources for individual assistance to students at schools determined to be highly impacted. Program revenue supports “additional educational services in schools whose student demographic composition indicates a high concentration of students most likely to be at risk for academic failure.”<sup>50</sup>

The program provides funding to about 54 schools with the state's highest rates of English language deficiency, student mobility, single parent families, free-lunch eligibility and ethnic minority students. Many of these schools serve communities where virtually all the students are eligible for free lunch, where less than half remain in a single school for an entire school year, and where over half speak a language other than English. The children who attend these schools survive in living conditions that severely limit their potential for school success.

*Formula* Program eligibility is “determined every three years by the school’s relative position within a ranked list of all schools which apply for funding.”<sup>51</sup> Each school receives a base allocation of \$30,000 with the remaining distributed on a proportional basis.

*Formula Restrictions* Schools that receive Highly Impacted Schools funding must provide evidence that students attending the school have made academic gains.

**Statutory Authority** The following statute governs the Highly Impacted Schools program.

- UCA 53A-15-701 – provides criteria for the State Office of Education, in consultation with the Governor’s Office, for determining Highly Impacted Schools. The statute also provides the formula criteria detailed above and requires the State Board of Education to monitor and report on the success of the program.

Administrative Rule R277-464-3 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Highly Impacted Schools Program.

<sup>50</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006.

<sup>51</sup> Ibid.

## AT-RISK PROGRAMS

**Function**

At Risk Programs contains five subprograms that serve the specialized needs of students who might be academically "at risk" and help these students overcome the factors which put them at-risk. The five At Risk Programs include:

- Gang Prevention – funding is targeted to programs that discourage students from joining gangs.
  - *Formula* – schools receive funds on a Request for Proposal basis.
  - *Formula Restrictions* – recipient schools must match requested funds based on the grade levels served by the school. Elementary schools must provide a 12 percent match, middle/intermediate/junior high schools must provide an 18 percent match, and high schools must provide a 25 percent match.
 

“At least half of the match must be in-kind services at the school, but in-kind services may not include expenditures for office space or clerical support.”<sup>52</sup>
- Homeless and Disadvantaged Minority – provides “additional educational services for homeless and economically disadvantaged ethnic minority students.”<sup>53</sup>
  - *Formula* – program funding is divided equally among two criteria. First, school districts receive program funding on a proportional basis as determined by the number of homeless students residing in homeless shelters (based on prior year count). The second half is distributed to school districts based on the proportional “prior year number of ethnic minority students who are eligible for free or reduced price school meals.”<sup>54</sup>
- MESA (Mathematics, Engineering and Science Achievement) – funding encourages high school age “ethnic minority and female students to pursue postsecondary training and employment in mathematics, engineering, or science by enabling them to participate in an enriched math and science curriculum.”<sup>55</sup>
  - *Formula* – school districts receive funds on a Request for Proposal basis. The RFP process is administered by the MESA Public Education Committee.

<sup>52</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.



- Regular Programs – funding promotes reducing the achievement gap among demographic subgroups within the public education system.
  - *Formula* – school districts receive proportional funding based on “the share of current year Grades 1-12 [Program] WPU plus [Necessarily Existent] Small School WPUs and the share of students eligible for free or reduced price school meals.”<sup>56</sup> Each district is guaranteed a minimum of \$18,600.
- Youth in Custody – provides educational services to students who are in the custody of the Utah State Department of Human Services, a juvenile detention facility, or an equivalent agency of a tribe recognized by the Bureau of Indian Affairs.
  - *Formula* – school districts receive program funding through an application process. Districts act as contractors providing services that range from “instruction in the core curriculum in secure facilities to the mentoring of students in foster care.”<sup>57</sup>
  - *Formula Restrictions* – school districts must have Youth in Custody students within their jurisdiction to qualify for program funding.

**Statutory Authority**

The following statute governs the At Risk Programs.

- UCA 53A-17a-121 – outlines each of the At Risk Programs mentioned above, as well as, the statutory criteria for distributing program funds to school districts and charter schools.

Administrative Rule R277-760-3 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the At Risk Programs.

**ADULT EDUCATION****Function**

Adult education programs support the “formal training of adults in literacy, academic, and workplace skills.”<sup>58</sup> The program assists adults who can function in everyday life but do not have a secondary school diploma, the General Educational Development Test (GED) or its recognized equivalent. District programs provide instruction in subjects that lead to a high school diploma or GED for adults.

Eligibility for Adult Education includes:<sup>59</sup>

- Individuals who are at least 18 years of age, or at least 16 years of age and released from compulsory attendance by the local School Board or are an adjudicated adult.

<sup>56</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006

<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

<sup>59</sup> Eligibility criteria retrieved from the Utah State Office of Education website on December 3, 2006.

<http://www.schools.utah.gov/adulted/home.htm>

- Individuals who lack sufficient mastery of basic educational skills or English language communication skills to enable them to function effectively in society.
  - Lacking sufficient mastery means if a student had obtained a high school diploma but tests at an educational functioning level less than an adult high school standard.
  - Learners qualify if they lack sufficient English language skills to get or maintain employment.
- An individual that lacks a secondary school diploma or its recognized equivalent.
- Individuals who are concurrently enrolled in a partnering adult education program with a post-secondary institution.

School districts may offer any of five Adult Education programs. These programs are highlighted below.<sup>60</sup>

5. Adult Basic Education – “provides instruction for adults whose inability to compute or speak, read, or write the English language at or below the eighth grade level substantially impairs their ability to find or retain employment commensurate with their real ability.”
6. Adult High School Completion – is a program for adults “who have some literacy skills and can function in everyday life but are not proficient or do not have a secondary school diploma, GED or its recognized equivalent.”
7. English Language Civics – the primary function of this program is to “teach English-As-A-Second Language to adult learners. These programs include school district’s adult education programs, community-based programs, faith-based programs, and beginning in the school year 2004 for profit programs.”
8. English for Speakers of other Languages – is a “program for those limited English proficient students who have a focus on improving English communication skills such as speaking, reading, writing, and listening.”
9. General Educational Development – provide training geared for the GED test. The GED “measures the major and lasting outcomes and concepts associated with a traditional four-year high school education.”

### *Formula*

School districts receive Adult Education allocations based on a formula which includes an equal funding base of 7 percent (or \$13,000) of the total allocation. The remaining appropriation is divided among the school districts based on formula. This formula includes 50% “proportional to outcomes

<sup>60</sup> Eligibility criteria retrieved from the Utah State Office of Education website on December 3, 2006.  
<http://www.schools.utah.gov/adulted/home.htm>

(high school diplomas awarded, GED certificates awarded, level gains made, high school credits earned); 25% proportional to enrollment; 16% proportional to contact hours; and 2% retained for discretionary allocation on merits of application”<sup>61</sup> made by school districts.

*Formula Restrictions*

A school district must have its Adult Education plan approved by the State Board of Education in order to receive program allocations.

**Statutory Authority**

The following statute governs Adult Education programs offered by school districts.

- UCA 53A-17a-119 – provides rule making authority to the State Board of Education and outlines the allocation formula for distributing Adult Education appropriations to school districts.

Administrative Rule R277-733 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Adult Education Programs.

## ACCELERATED LEARNING PROGRAMS

**Function**

Accelerated Learning includes three programs including Advanced Placement Programs, Concurrent Enrollment Programs and Gifted and Talented Programs.

- Advanced Placement programs “allow students to take college level course while in high school and thereby obtain college credit by passing end of year tests associated with the courses.”<sup>62</sup>
  - *Formula* – school districts receive program funding on a proportional basis to the number of AP exams passed during the previous school year.
- Concurrent Enrollment allows students to earn both high school and college credit at the same time. Most often, this occurs during the student’s senior year.
  - *Formula* – schools participating in the program “receive on a per student basis up to \$33.33 per quarter hour or \$50 per semester hour for each hour of higher education course.”<sup>63</sup>
- Gifted and Talented Programs provide revenue to school districts and charter schools “to implement programs that are beneficial to students who function academically above their normal grade level.”<sup>64</sup>
  - *Formula* – school districts and charter schools receive program funding on a proportional basis as determined by their current year WPUs for Kindergarten, Grades 1-12 and Necessarily Existent Small Schools.

<sup>61</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

**Statutory Authority**      The following statutes govern the various Accelerated Learning Programs.

- UCA 53A-17a-120 – directs appropriations for Accelerated Learning Programs to local school board, details the formula for distributing Concurrent Enrollment allocations. Statute provides for an adjustment to the per student amounts supporting the Concurrent Enrollment Program based on the increase in the value of the WPU.

Administrative Rules R277-711 and R277-713 were passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Accelerated Learning Programs.

**CHAPTER 8 MSP – RELATED TO BASIC PROGRAMS – OTHER PROGRAMS****ELECTRONIC HIGH SCHOOL****Function**

The Electronic High School began operation in 1994. Students may enroll in the EHS to make up school credit, take courses not offered through their high schools, to take extra credit hours to graduate early. The EHS enrolls students from Utah as well as students from other states or countries. Utah students may enroll in the EHS without charge; students outside Utah pay a \$50 fee for each course each quarter.

Courses offered through the EHS are correlated to the state core curriculum. The EHS offers competency based instruction and provides an open-entry open-exit curriculum. “With a few exceptions, students are able to enroll any day of the year and work at their own pace until the course is completed. We expect students to complete a course within twelve months, but extensions can be granted.”<sup>65</sup> Utah public school students wishing to enroll in the EHS must meet with their school counselor to ensure EHS courses they plan on taking meet graduation requirements.

**Formula**

School districts and charter schools do not receive EHS funding, rather all appropriated revenue supports the maintenance and operation of the EHS. Davis School District acts as the fiscal agent for the EHS.

**Statutory Authority**

The Electronic High School is governed by the following statute.

- UCA 53A-17a-131.15 – provides that the revenue appropriated to support the Electronic High School shall be distributed to the school according to rules established by the Board.

Administrative Rule R277-725-3 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Electronic High School.

**SCHOOL LAND TRUST PROGRAM****Function**

The School LAND (Learning And Nurturing Development) Trust Program, often referred to as School Trust Lands, was established by the Legislature in the 1999 General Legislative session. In exchange for not taxing federal land, the U.S. Congress “gave lands to Utah schools at statehood. The lands are held in a legal trust for our schools. Schools own 3.3 million acres. The lands are managed by the School and Institutional Trust Lands Administration and must, by law, be used to generate money for our schools. The money is put in a permanent savings account, which is never spent, but invested”<sup>66</sup> by the State Treasurer.

The interest and dividends earned of the permanent school fund are distributed to local schools to provide resources to improve student academic

<sup>65</sup> Information retrieved from the Utah State Office of Education – Electronic High School website on December 3, 2006.  
<http://ehs.uen.org/about.html>

<sup>66</sup> Information retrieved from the Utah State Office of Education – School Trust Lands website on December 18, 2006.  
[http://www.schoollandtrust.org/gen\\_what\\_sltp.php](http://www.schoollandtrust.org/gen_what_sltp.php)

achievement as outlined in the school's academic improvement plan. Law requires each school to form a School Community Council which prepares the school improvement plan. Plans identify the academic needs of a school and provide a solution to these needs by using the annual School LAND Trust dividend allocated to the school. Local school boards approve each of the school generated academic improvement plans.

*Formula*

Ten percent of program revenue is distributed to districts and charter schools as a program base. The remaining 90 percent is distributed proportionally as determined by prior year fall enrollment.

**Statutory Authority**

The following statute governs the State contribution to the School LAND Trust program.

- 53A-16-101.5 – establishes the School LAND Trust program. Details the funding source for program appropriations and outlines the formula used to distribute funds to local schools. The statute also provides direction to local school districts in distributing allocated revenues among district schools. Finally, the statute requires the creation of School Community Councils in order to obtain trust land revenues and outlines the duties of the School Community Councils. 5
- 53A-17a-131.17 – provides for the State contribution to the School LAND Trust Program. Appropriations to the program, based on the amount of interest and dividend revenue collected, may be made “up to a maximum of an amount equal to 2% of the funds provided for the Minimum School Program.”

Administrative Rule R277-477-3 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the School LAND Trust program.

**CHARTER SCHOOL LOCAL REPLACEMENT FUNDING**

**Function**

The Charter School Local Replacement Funding program was established to provide revenue to charter schools to assist in capital facility needs. Unlike school districts, charter schools do not have bonding authority or the ability to tax their patrons to cover facility costs. The Legislature created a statutory formula that provides an equalized per pupil state appropriation to each charter school to replace some of the locally generated property tax revenue charter schools cannot access.

Local Replacement Funding originated with the local school districts and the state sharing in the cost of the program. “The state provided an appropriation equal to half the per pupil revenue generated in the school districts through property tax collections. School districts in turn transferred the other half to a charter school when a [district] student enrolled.”<sup>67</sup>

The original cost-sharing program resulted in some funding inequities among charter schools. State revenue only equalized half of the replacement funding

<sup>67</sup> Office of the Legislative Fiscal Analyst. Issue Brief: Charter School Local Replacement Funding. January, 2005.

received by charter schools. The formula estimated a state-wide per pupil average of locally generated revenue in the school districts. The state provided half of this state-wide average to charter schools.

Revenue received by a charter school directly from a student's home district was not equalized. The mechanism created a benefit for charter schools enrolling students from school districts that collect more local revenue than the state average. Charter schools enrolling these students received more revenue than if they enrolled students from districts below the state-wide average.

In addition to inequities resulting from the original formula, "charter schools became dependent on a district for funding, further straining the relationship between districts and charter schools."<sup>68</sup> Charter schools relied on districts to transfer the appropriate level of funding and ensure that funds were received in a timely manner. This dependence resulted in frequent conflicts between districts and charter schools, sometimes resulting in intervention of the Utah State Office of Education.

Legislators created the Charter School Local Replacement Funding Program in an attempt to better equalize per student revenues among charter schools and reduce conflicts between the school districts and charter schools. "During the 2003 General Session, the Legislature changed statute and developed a system that allowed the local school districts to retain all locally generated property tax revenue."<sup>69</sup> This change in statute removed the dependent relationship between school districts and charter schools. "The state now provides an equalized average per student amount directly to the charter school"<sup>70</sup> to replace some of the locally generated property taxes collected by a school district. This mechanism removes most funding inequities and ensures that each charter school receives the same level of per student funding from the state, regardless of originating district.

### *Formula*

Statute defines a formula that calculates an estimated average local property tax generated per student in each of the 40 school districts. Utah code states "the amount of money provided for each charter school student shall be determined by: (i) calculating the sum of: (A) school districts' operations and maintenance revenues [general fund] derived from local property taxes, except revenues from imposing a minimum basic tax rate pursuant to Section 53A-17a-135; (B) school districts' capital projects revenues derived from local property taxes; and (C) school districts' expenditures for interest on debt."<sup>71</sup> This formula provides a replacement to charter school for some of the locally generated property tax revenues retained by the school districts. As a result of this formula, the state provides all revenues (except for some federal funds) supporting charter schools in Utah.

<sup>68</sup> Office of the Legislative Fiscal Analyst. Minimum School Program - Charter School Local Replacement Funding. Issue Brief to the Public Education Appropriations Subcommittee. December, 2003.

<sup>69</sup> Office of the Legislative Fiscal Analyst. Issue Brief: Local Replacement Formula Change. January, 2006.

<sup>70</sup> Ibid.

<sup>71</sup> Utah Code, Section 53A-1a-513(4).

**Statutory Authority**

The following statutes govern charter schools and the Local Replacement Funding Program. Statutes pertaining to the regulation of charter schools may be found in UCA 53A-1a-501 through UCA 53A-1a-515. Some highlighted statutes are provided below.

- UCA 53A-1a-502.5 – provides authority to the State Charter School Board to authorize new charter schools.
- UCA 53A-1a-503 – establishes the purpose of charter schools through identifying seven statutory principles.
- UCA 53A-1a-503 – clarifies the status of charter schools within the public education system.
- UCA 53A-1a-513 – details general funding provisions for charter schools including the Local Replacement Formula Program, distribution of other Minimum School Program funds, and WPU weighting mechanism used in distributing funds to charter schools based on the grade-levels served by the school. Statute also excludes charter schools from receiving allocations for pupil transportation.

Administrative Rule R277-470-5 and R277-470-6 were passed by the State Board of Education. These rules provide administrative procedures associated with the governance of funds allocated to charter schools and the calculation of state funding for charter schools.

**K-3 READING IMPROVEMENT PROGRAM****Function**

The K-3 Reading Improvement Program was created during the 2004 General Session. The program set the statewide goal to have all Utah students reading at or above grade level by the time they complete the third grade. There are three funding programs within the K-3 Reading Improvement Program: Base Level, Guarantee Program, and Low Income Students Program. School districts and charter schools “must submit a State Board approved plan for reading proficiency improvement prior to using the program funds.”<sup>72</sup> The Utah State Office of Education has drafted a State framework for instruction and intervention to ensure all students progress at an appropriate and successful rate, mitigating the cycle of reading failure.

*Formula*

The formulas for each of the three funding programs include:

- Base Level – a base amount as determined by fall enrollment.
- Guarantee Program – “\$21 per WPU minus the amount raised by a required tax levy of 0.000056.”<sup>73</sup>
- Low Income Program – “\$21 per WPU minus the amount raised by a required tax levy of 0.000065.”<sup>74</sup>

<sup>72</sup> Utah State Office of Education, Finance and Statistics Section, Minimum School Program Descriptions. November 2006

<sup>73</sup> Ibid.

<sup>74</sup> Ibid.



**Statutory Authority**

The following statute provides the legal framework for the K-3 Reading Improvement Program.

- UCA 53A-17a-150 – defines the K-3 Reading Improvement Program and establishes the funding mechanisms for each of the three funding programs. The statute also requires school districts to develop plans to meet district determined reading achievement goals.

Administrative Rule R277-422 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the K-3 Reading Achievement Program.



**CHAPTER 9 MSP – VOTED AND BOARD LEEWAY PROGRAMS****VOTED LEEWAY PROGRAM**

<b>Function</b>	<p>The Voted Leeway Program has a long history, beginning with the 1954 program authorization by the Legislature. A Voted Leeway “is a state-supported program in which a levy – approved by the school district electorate – is authorized to cover a portion of the costs of operation and maintenance of the state supported Minimum School Program in a school district.”<sup>75</sup></p> <p>Revenue generated through a district’s Voted Leeway is free revenue and “may be budgeted and expended under maintenance and operation as authorized by the local school board.”<sup>76</sup> In order to establish a Voted Leeway, each school district must place the issue for public vote. “A majority of the electors of a school district voting at an election must vote in favor of the leeway.”<sup>77</sup></p>
<i>Formula</i>	<p>A Voted Leeway “allows a district to levy a tax rate (up to 0.002000, including the Board Leeway levy) to generate property tax and state aid revenue to supplement the district M&amp;O.”<sup>78</sup> The state guarantee is calculated for each school district levying a Voted Leeway. The guarantee is “based on a statutorily set dollar amount per 0.000100 of tax rate per Weighted Pupil Unit (WPU).”<sup>79</sup></p> <p>House Bill 38, “School District Voted Leeway Amendments,” passed by the 2001 Legislature provided for a state guarantee up to a combined tax rate between the Voted and the Board Leeway of .002000. It also indexed the amount of the guarantee to the value of the WPU. During the economic downturn of the early 2000s, the increased guarantee amount was postponed to reduce program costs.</p> <p>For FY 2007 the Legislature increased the state contribution from a guarantee of \$18.64 to \$20.62 per weighted pupil unit. In FY 2008, the guarantee rate will increase to \$23.07 per WPU. Statute provides that the state guarantee will to increase by increments of .0005 until the guarantee is equal to .010544 times the value of the prior year weighted pupil unit. Estimates indicate that this threshold may occur in FY 2009.</p>
<b>Statutory Authority</b>	<p>The following statute governs the Voted Leeway Program.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-17a-133 – authorizes the Voted Leeway Program, establishes the state guarantee thresholds, and outlines election procedures for school districts implementing a Voted Leeway.</li> </ul> <p>Administrative Rule R277-422-3 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Voted Leeway Program.</p>

<sup>75</sup> Utah State Office of Education, Finance and Statistics Section. School District Tax Levies Descriptions, March 1, 2006.

<sup>76</sup> Ibid.

<sup>77</sup> Ibid.

<sup>78</sup> Ibid.

<sup>79</sup> Ibid.

**BOARD LEEWAY PROGRAM**

<b>Function</b>	<p>The Board Leeway Program allows a local school board to levy a tax to “maintain a school program above the cost of the basic program.”<sup>80</sup> Local school boards may levy a state-supported tax rate, up to 0.000400.</p> <p>Statute limits the use of revenue generated by the Board Leeway Program. Local school boards must use generated revenue for class size reduction. However, if a local school board determines that district class sizes are not excessive, it may seek authorization to use program revenue to support other district functions. “If a local school board determines that the average class size in the school district is not excessive, it may use the monies for other school purposes but only if the board has declared the use for other school purposes in a public meeting prior to levying the tax rate.”<sup>81</sup> Statute also requires schools district to certify to the State Board of Education that class size needs are being met and identify the other school purposes for which Board Leeway revenues will be used before they can use any generated revenue.</p>
<i>Formula</i>	<p>Similar to the Voted Leeway, the Board Leeway contains a state guarantee component. “State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per WPU.”<sup>82</sup> Please refer to the Voted Leeway formula section for more information on the state guarantee rate.</p>
<b>Statutory Authority</b>	<p>The following statute governs the Board Leeway Program.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-17a-134 – provides statutory authorization for the Board Leeway and establishes restrictions on use of generated revenue on class size reduction efforts. The statute also outlines the required procedure districts must follow in order to use generated revenue on other district programs and establishes the state guarantee amount.</li> </ul> <p>Administrative Rule R277-422-3 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the Board Leeway Program.</p>

**BOARD LEEWAY – READING IMPROVEMENT PROGRAM**

<b>Function</b>	<p>The Reading Improvement Program discussed in Chapter 8 includes a local property tax component. “Each local school board may levy a tax rate of up to 0.000121 per dollar of taxable value for funding the school district’s K-3 Reading Improvement Program.”<sup>83</sup> The reading levy is in addition to the other tax levies imposed by the school district and does not require the approval of the district electorate. Generated revenue supports a school district’s reading improvement plan generated under the provisions of the program – mainly to have students reading at grade level by the end of the third grade.</p>
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<sup>80</sup> Utah State Office of Education, Finance and Statistics Section. School District Tax Levies Descriptions, March 1, 2006.

<sup>81</sup> Utah Code, Section 53A-17a-134(1)(b).

<sup>82</sup> Utah State Office of Education, Finance and Statistics Section. School District Tax Levies Descriptions, March 1, 2006.

<sup>83</sup> Ibid.

Statute requires that a local school board repeal the reading levy if the district's goals are not achieved. "If after 36 months of program operation, a school district fails to meet goals stated in the district's plan for student reading proficiency as measured by gain scores, the school district shall terminate any levy."<sup>84</sup> Following one year, the school district may revise its plan for reading achievement, obtain approval from the State Board of Education and reinstate the reading levy.

Please refer to the K-3 Reading Improvement Program in Chapter 8 for more information.

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<sup>84</sup> Utah State Office of Education, Finance and Statistics Section. School District Tax Levies Descriptions, March 1, 2006.



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**CHAPTER 10 SCHOOL BUILDING PROGRAM**

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**Introduction**

The School Building Program contains three components: the Capital Outlay Foundation Program, the Enrollment Growth Program, and the School Building Revolving Account. These programs assist school districts in providing school facilities and paying debt service.

**Statutory Authority**

Statutes governing the School Building Program may be found in UCA 53A-21-101 to 53A-21-105. The following bullets highlight the key statutory provisions.

- UCA 53A-21-102 – establishes the Capital Outlay Foundation Program, the Enrollment Growth Program and the Capital Outlay Loan Program. Statute also limits the use of state revenues solely for school district capital outlay and debt service purposes.
- UCA 53A-21-103 – details the qualifications for school district participation in the Capital Outlay Foundation Program which includes levying a tax to support capital outlay and debt service expenditures of a school district. This statute provides rule making authority to the State Board of Education to distribute program funds and develop a distribution formula.
- UCA 53A-21-103.5 – details the qualifications for school district participation in the enrollment growth program. The statute also details a formula to distribute appropriated revenues.
- UCA 53A-21-104 – provides statutory provisions governing the School Building Revolving Account and details the qualifications for districts to meet in order to benefit from the program. School districts must contract with the State Superintendent to repay monies received from the account and levy a tax sufficient to guarantee annual loan repayments. The statute also establishes the Charter School Building Subaccount.
- UCA 53A-21-105 – outlines the state appropriation to the Capital Outlay Foundation Program and the Enrollment Growth Program.

Administrative Rule R277-451 was passed by the State Board of Education. The rule provides administrative procedures associated with the governance of the School Building Program.

**Funding Detail**

Table 10-1 provides a history of state appropriations to the School Building Program. In FY 2007, the Legislature appropriated a total of \$37,288,900. This included an ongoing appropriation to the Capital Outlay Foundation Program of \$24,358,000, an ongoing appropriation to the Enrollment Growth Program of \$2,930,900 and a one-time appropriation to the Enrollment Growth Program of \$10,000,000.

<b>Budget History - School Building Program</b>					
<b>Sources of Finance</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
Uniform School Fund	28,358,000	29,288,900	27,288,900	27,288,900	27,288,900
Uniform School Fund, One-time	0	0	0	5,000,000	10,000,000
<b>Total</b>	<b>\$28,358,000</b>	<b>\$29,288,900</b>	<b>\$27,288,900</b>	<b>\$32,288,900</b>	<b>\$37,288,900</b>
<b>Programs</b>					
School Building Program	28,358,000	29,288,900	27,288,900	32,288,900	37,288,900
<b>Total</b>	<b>\$28,358,000</b>	<b>\$29,288,900</b>	<b>\$27,288,900</b>	<b>\$32,288,900</b>	<b>\$37,288,900</b>
<b>Categories of Expenditure</b>					
Other Charges/Pass Thru	28,358,000	29,288,900	27,288,900	0	37,288,900
<b>Total</b>	<b>\$28,358,000</b>	<b>\$29,288,900</b>	<b>\$27,288,900</b>	<b>\$0</b>	<b>\$37,288,900</b>

**Table 10-1****CAPITAL OUTLAY FOUNDATION PROGRAM****Function**

The Capital Outlay Foundation Program supports “school districts in capital outlay bonding, facilities construction and renovation, and debt service.”<sup>85</sup> In order to participate in the program, a school district must levy a Capital Outlay Levy to support capital equipment or capital facilities projects and debt service. “If the rate is at least 0.002400 per dollar of taxable value, the district qualifies for full funding; if the rate is less than this amount, the district qualifies for funding proportional to the rate as a percentage of 0.002400.”<sup>86</sup> School districts may use up to 0.000200 of its capital outlay levy for the maintenance of school plants. If this option is exercised, a maintenance of effort equal to at least the dollar amount expended for the preceding year, plus the average annual percentage increase in the district’s M & O budget for the current year is required.

If a school district elects to issue and sell general obligation bonds to finance its building program, the district must levy a Debt Service tax—which has no ceiling—that will derive at least its general obligation bond principal and interest debt payment annually. The full faith and credit of the school district is pledged. In addition, the State of Utah has placed its full faith and credit behind each school district bond through the School Bond Guarantee Act (53A-28)—a default avoidance program—wherein the State’s bonded indebtedness credit rating is extended to each school district.

<sup>85</sup> Utah State Office of Education, Finance and Statistics Section. School District Tax Levies Descriptions, March 1, 2006.

<sup>86</sup> Ibid.



*Formula* The state guarantee provides a “minimum per ADM using available monies in the fund [level of state appropriation] and the assessed valuation per ADM in each school district.”<sup>87</sup>

### ENROLLMENT GROWTH PROGRAM

**Function** The Enrollment Growth Program was established to “provide additional support to those school districts which are experiencing the most pressing needs for facilities due to rapid growth.”<sup>88</sup> In order to qualify for monies under the Enrollment Growth Program, a school district must receive revenue distributed under the Capital Outlay Foundation Program and “have an average net increase in student enrollment over the prior three years.”<sup>89</sup>

*Formula* School districts receive Enrollment Growth Program monies in the same proportion that the district’s three-year average net increased enrollment bears to the total three-year net increased enrollment of all the districts which qualify to receive funds under the Enrollment Growth Program.

### SCHOOL BUILDING REVOLVING ACCOUNT

**Function** The School Building Revolving Account provides “short term loans to both school districts and charter schools for the construction and renovation of school buildings.”<sup>90</sup> The State Superintendent contracts with school districts to repay monies, with interest, within five years. School districts may use state building monies and/or local revenues to repay loans.

Statute requires the State Superintendent to establish a committee to review loan requests made by school districts, and to “make recommendations regarding approval or disapproval of a loan application. . . . the committee’s recommendation shall include: the recommended amount of the loan; the payback schedule; and the interest rate to be charged.”<sup>91</sup>

*Charter Schools* The School Building Revolving Account contains a Charter School Building Subaccount. This subaccount includes funds appropriated by the Legislature, loan repayments, and interest earned off of the subaccount. “The State Superintendent shall make loans to charter schools . . . to pay for the costs of constructing or renovating charter school buildings.”<sup>92</sup> Loans granted under the Charter School Building Subaccount also require committee recommendation similar to the School Building Revolving Account.

<sup>87</sup> Utah State Office of Education, Finance and Statistics Section. School District Tax Levies Descriptions, March 1, 2006.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid.

<sup>90</sup> Ibid.

<sup>91</sup> Utah Code, Section 53A-21-104(4)(a).

<sup>92</sup> Utah Code, Section 53A-21-104(5)(c).



**CHAPTER 11 UTAH STATE OFFICE OF EDUCATION****Function**

The Utah State Office of Education (USOE) functions as support staff to the State Board of Education and the State Superintendent of Public Instruction. The USOE provides information and direction relating to public education policy, procedure and program implementation. Staff at USOE provides statewide service, support and direction to local school districts, charter schools. USOE guides its services by the following mission: “The mission of the Utah State Office of Education is to facilitate high levels of student achievement and educator quality and to assist schools in their drive toward excellence, through statewide services, leadership, and accountability.” In addition to its mission, USOE continues to develop a strategic plan outlining its role as Utah’s education authority.

The State Board of Education appoints a State Superintendent of Public Instruction to act as the executive officer of the Board and the Superintendent serves at the pleasure of the Board. The Superintendent administers all programs assigned to the State Board of Education. Specifically, the Superintendent acts as the chief liaison with the Legislature and state and federal agencies, creates a strategic plan for Utah’s public education system, coordinates between the State Board of Education and the State Charter School Board, works with higher education to create a seamless education system, and provides final approval of policy and budget matters.

In addition to the State Board of Education and the State Superintendent the state office of education houses several operating sections whose work maintains the state administration of public education. USOE sections include, Student Achievement and School Success, Data and Business Services, and Law Legislation and Educational Services. The state office also has two internal services funds used to support USOE’s internal operations. Further detail of USOE sections may be found throughout the remainder of this chapter.

**Statutory Authority**

Unlike other state agencies, the state office of education does not have specific statutory language creating the office. Specifically, no language in statute states something to the effect of: “There is created a State Office of Education.” However, state level administration of the public education system is detailed throughout statute. Many statutes refer to the state office of education, require the state office to provide reports, specifically direct USOE functions, or provide for USOE administration of certain education programs.

The state level education administration statutes may be found in UCA Title 53A, Chapter 1. Each subsequent Statutory Authority section in this chapter provides highlights of major statutes detailing office functions or specific programs contained in the given USOE Section.

The appointment, duties, and responsibilities of the State Superintendent may be found in the following statutes.

- UCA 53A-1-301 – Provides guidelines for the appointment of the State Superintendent of Public Instruction and outlines the qualifications and duties of the Superintendent.
- UCA 53A-1-303 – This statute directs the state superintendent to give advice and provide opinions to local school boards, superintendents, and other school officers on public education matters.

**Funding Detail**

Although the total State Office of Education budget exceeds \$200 million, the actual operating budget of USOE is significantly less. Of the total revenue in FY 2006, over 86 percent was passed on to the local school districts and charter schools. The remaining 14 percent funded the operations of the USOE.

The USOE acts as the fiscal agent for most federal support programs and grants administered by the U.S. Department of Education. The federal funding that supports education programs at the local level flows through the USOE. Federal funds made up over 85 percent of the USOE budget in FY 2006. The Uniform School Fund provides the majority of USOE operating revenue at approximately 12 percent in FY 2007.

Table 11-1 details the total USOE budget. Further detail on the UOSE operating sections may be found throughout chapter 11.

Budget History - State Board of Education - State Office of Education					
	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
<b>Sources of Finance</b>					
General Fund, One-time	0	0	1,400,000	2,585,900	7,500,000
Uniform School Fund	23,437,100	22,806,900	21,349,400	20,886,400	21,674,900
Uniform School Fund, One-time	0	0	68,900	716,000	8,704,400
Federal Funds	166,136,100	182,354,500	210,282,100	228,431,800	204,805,800
Dedicated Credits Revenue	5,475,200	5,541,200	5,711,900	5,674,300	6,181,500
Federal Mineral Lease	933,800	1,459,200	1,932,700	2,896,200	1,033,200
GFR - Substance Abuse Prevention	450,700	396,500	490,000	494,100	494,500
USFR - Interest and Dividends Account	0	0	0	80,000	81,900
USFR - Professional Practices	78,400	72,000	90,700	226,100	94,200
Transfers	57,100	0	0	59,500	0
Transfers - Interagency	1,297,200	278,200	217,900	391,100	140,000
Transfers - State Office of Education	0	183,800	26,000	0	26,000
Beginning Nonlapsing	4,374,700	4,533,500	8,330,700	10,101,800	10,101,800
Closing Nonlapsing	(4,533,600)	(8,330,700)	(10,101,800)	(12,144,400)	(10,101,800)
Lapsing Balance	(74,100)	0	(1,114,000)	(15,700)	0
<b>Total</b>	<b>\$197,632,600</b>	<b>\$209,295,100</b>	<b>\$238,684,500</b>	<b>\$260,383,100</b>	<b>\$250,736,400</b>
<b>Programs</b>					
Board of Education	1,108,100	1,628,300	8,915,100	1,374,900	2,695,500
Student Achievement	172,932,600	146,266,500	139,530,900	233,746,300	141,935,300
Data and Business Services	12,164,700	6,984,800	4,993,200	4,712,100	5,299,400
Law, Legislation and Education Services	11,427,200	54,415,500	85,245,300	20,549,800	100,806,200
<b>Total</b>	<b>\$197,632,600</b>	<b>\$209,295,100</b>	<b>\$238,684,500</b>	<b>\$260,383,100</b>	<b>\$250,736,400</b>
<b>Categories of Expenditure</b>					
Personal Services	12,157,100	12,601,000	13,784,000	15,269,400	32,843,800
In-State Travel	208,300	241,600	276,200	270,500	265,700
Out of State Travel	162,700	174,400	228,600	228,300	223,200
Current Expense	12,439,500	13,022,000	13,996,800	15,572,300	14,358,500
DP Current Expense	1,167,100	1,141,800	1,886,300	1,432,000	1,883,500
DP Capital Outlay	105,300	15,100	261,900	69,200	261,900
Capital Outlay	0	20,700	0	0	0
Other Charges/Pass Thru	171,392,600	182,078,500	208,250,700	227,541,400	200,899,800
<b>Total</b>	<b>\$197,632,600</b>	<b>\$209,295,100</b>	<b>\$238,684,500</b>	<b>\$260,383,100</b>	<b>\$250,736,400</b>
<b>Other Data</b>					
Budgeted FTE	187.1	192.0	194.0	223.9	218.8
Vehicles	7	7	7	13	7

Table 11-1

**Special Funding**

The State Office of Education receives revenue from two restricted sources. Funds received from the General Fund – Substance Abuse Prevention account supports substance abuse prevention and education programs in the schools. The Uniform School Fund – Professional Practices restricted revenue supports the processing of teacher licenses and the Utah Professional Practices Advisory Commission.

Restricted Funds Summary - (Program Name)				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Substance Abuse Prevention	UCA 63-63a-5	Surcharge on all criminal fines, penalties, and forfeitures imposed by the courts. The surcharge is 85% upon conviction of a felony, class A & class B misdemeanor, and drunk/reckless driving. 35% surcharge on any other offense not exempted by statute.	USOE receives 2.5%, not to exceed Legislative appropriation, for substance abuse prevention and education programs for students.	\$21,297
Uniform School Fund: Professional Practices Restricted Subfund	53A-6-105	Fee revenue paid by educators seeking a new, reinstated, or renewal license or endorsement from the State Board of Education.	To pay the costs of issuing licenses, collecting fees, and the operations of the Utah Professional Practices Advisory Commission.	\$3,351

Table 11-2

**STATE BOARD OF EDUCATION****Function**

The State Board of Education directs education policy and makes rules governing education administration. The Board has three standing committees: Curriculum and Instruction; Law and Policy; and Finance. The board also has an audit committee that meets as needed.

Seventeen Board members make up the Utah State Board of Education. Fifteen members represent electoral districts, and two members are appointed by the State Board of Regents as non-voting members of the Board. The State Board of Education has two full time staff positions, an administrative assistant and an internal auditor. The budget presented below provides for board members' per diem, travel and other related expenses, as well as board member and staff salaries.

In its Vision and Mission Statement, the Board identified four education goals. These goals are:

1. Continue to actively advocate for increased funding to provide quality education for all children and meet the demands of growing enrollment.
2. Promote the achievement of high standards of learning for each child, partnering with family, educators, and community.
3. Ensure an adequate supply of quality teachers for all Utah children.
4. Improve the English proficiency and academic achievement of Utah's ESL students.

**Statutory Authority**

Article 10, Section 3 of the Utah Constitution establishes the State Board.

- Utah State Constitution Article X, Section 3- In addition to vesting the “general control and supervision” of public education in the State Board, this section directs that the membership and election of board members be directed by statute and provides for the appointment of the State Superintendent of Public Instruction.

The following statutes detail specific functions of the State Board.

- UCA 20-14-101 et. seq.– Provides the statutory requirements for the nomination and election of the State Board of Education, provides the official boundary maps, and details how Board vacancies are handled.
- UCA 53A-1-101 – Details the members of the State Board of Education as provided in UCA 20-14-101. In addition to the 15 State Board members statute provides for two non-voting members to represent the State Board of Regents.
- UCA 53A-1-201 et. seq. – Sections 201 – 204 provide for the operations of the Board. This statute provides for board member, removal, compensation, insurance, quorum requirements, etc.
- UCA 53A-1-401 – Defines the powers of the State Board of Education as well as defines “general control and supervision” as used in Article X, Section 3, of the Utah State Constitution.

UCA 53A-1-402 – Requires the State Board of Education to establish minimum standards for Utah’s public schools.

**Intent Language**

The Legislature passed intent language during the 2006 General Session directing the State Board of Education that the General Fund appropriated in FY 2006 to support the Carson Smith Special Needs Scholarship Program shall not lapse.

**Funding Detail**

Table 11-3 details the budget for the State Board of Education for the past 5 years. The Uniform School Fund contributes the largest share to the State Board budget. Other revenue sources such as Federal Mineral Lease funds and Dedicated Credits also support the Board's budget.

The budget detailed below provides for Board member per diem, travel, and other expenses incurred while performing board duties. The budget also includes the salaries and benefits for the Board's two full time staff.

In FY 2005, the State Charter School Board was part of the Utah State Office of Education line-item. The federal funds in FY 2005 were received by the State Charter School Board. Further for FY 2005, two of the four FTE in the chart below supported the State Charter School Board. These FTE were transferred to the newly created State Charter School Board line-item in FY 2006. Only a small portion of Uniform School Fund revenues supported these positions. The majority of revenue supporting these two FTE comes from federal funds.

<b>Budget History - State Board of Education - State Office of Education - Board of Education</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
General Fund, One-time	0	0	1,400,000	2,585,900	0
Uniform School Fund	734,200	4,344,500	2,011,300	621,100	2,017,400
Uniform School Fund, One-time	0	0	1,000	0	499,300
Federal Funds	0	0	6,530,500	0	0
Dedicated Credits Revenue	169,900	0	0	0	0
Federal Mineral Lease	290,400	826,300	1,079,400	2,101,500	178,800
Transfers - Interagency	0	0	77,900	0	0
Beginning Nonlapsing	316,200	251,600	3,656,400	2,907,500	4,792,000
Closing Nonlapsing	(402,600)	(3,794,100)	(4,792,000)	(6,841,100)	(4,792,000)
Lapsing Balance	0	0	(1,049,400)	0	0
<b>Total</b>	<b>\$1,108,100</b>	<b>\$1,628,300</b>	<b>\$8,915,100</b>	<b>\$1,374,900</b>	<b>\$2,695,500</b>
<b>Categories of Expenditure</b>					
Personal Services	415,300	438,300	579,800	479,900	462,600
In-State Travel	18,400	29,200	35,300	32,200	24,800
Out of State Travel	15,000	17,900	33,500	26,700	28,100
Current Expense	202,100	655,100	905,400	565,900	1,351,000
DP Current Expense	13,500	102,200	79,000	52,600	76,200
DP Capital Outlay	50,200	7,100	0	28,800	0
Other Charges/Pass Thru	393,600	378,500	7,282,100	188,800	752,800
<b>Total</b>	<b>\$1,108,100</b>	<b>\$1,628,300</b>	<b>\$8,915,100</b>	<b>\$1,374,900</b>	<b>\$2,695,500</b>
<b>Other Data</b>					
Budgeted FTE	2.0	2.0	4.0	2.0	2.0
Vehicles	0	0	0	6	6

**Table 11-3**



## STUDENT ACHIEVEMENT AND SCHOOL SUCCESS

**Function**

The Student Achievement and School Success (SASS) division provides leadership and support to local school districts, regional service centers, public and private schools, post-secondary educational instructors, parents, teachers, and educational agencies. It accounts for approximately eighty five percent of the total Utah State Office of Education budget.

The SASS division contains the following sections.

**Curriculum and Instruction** – The section assists districts with individual subject planning and curriculum development. It defines, develops, disseminates, and implements core curriculum standards and other curriculum requirements of the State Board or the Legislature.

**Career and Technical Education** – CTE provides leadership and assistance to school districts and Applied Technology Colleges regarding secondary education. It develops curricula for secondary CTE programs and works with local employers to insure training is relevant to employer needs. CTE works with the Utah College of Applied Technology in administering CTE to high school students.

**Evaluation and Assessment** – The section oversees the statewide testing and evaluation of students. It develops standardized tests, provides training to district testing directors, and supervises the evaluation of standardized tests. This section administers Utah Performance Assessment System for Students (U-PASS), the states assessment and accountability system and its components.

**Services for at Risk Students** – Administers targeted statewide programs for students that require additional services in order to succeed. Major programs include Special Education, Alternative Language Services, Dropout Prevention, Youth in Custody, and Homeless Education.

**No Child Left Behind (NCLB)** – The federal No Child Left Behind Act of 2001 revised the Elementary and Secondary Education Act with the goal to provide all school children with the opportunity to achieve academic success. The Act indicates the following four principles; accountability for results, expanded state and local flexibility, expanded choices for parents, and focusing resources on proven educational methods, particularly in reading instruction.

**Statutory Authority**

The division oversees many of the major initiatives passed by the Legislature or the federal government. These largest two initiatives include U-PASS and the federal No Child Left Behind Act. The following statutory references detail, in part, Student Achievement and School Success functions.

- UCA 53A-1-402 – Requires the State Board of Education to establish minimum standards for Utah's public schools.
- UCA 53A-1-402.6 – Directs the State Board to establish a core curriculum, define minimum standards related to curriculum and

instruction requirements, and identify basic skills and competency requirements of students.

- UCA 53A-1-601 et. seq. – Sections 601–611 provides guidelines for the creation, implementation, and oversight of U-PASS.
- UCA 53A-13-101 et. seq. – Sections 101–109 provide statutory requirements for specific items as they relate to the core curriculum. Some examples include: Maintaining constitutional freedom in the public schools; expressions of belief; civic and character education.
- UCA 53A-13-201 et. seq. – Sections 201–209 establish and define the Drivers Education Program in the schools.
- UCA 53A-17a-113 – Appropriates funding for and defines what applied technology programs may receive funding.

### **Funding Detail**

Division revenue comes primarily from the federal government, accounting for approximately 90 percent of the section budget. Revenue from the Uniform School Fund provides for the majority of division operation expenses. The division receives General Fund Restricted revenue (detailed in the Special Funding section), Federal Mineral Lease Revenue, and Dedicated Credits Revenue. The Utah Education Network (UEN) provides funding for personnel and services for technology training at the USOE. In addition to these UEN services, the division generates Dedicated Credits through private grants, grants from other state agencies, funds for the Safe and Drug Free Schools program, and vocational education.

Table 11-4 below provides further detail for the SASS division. The 5 year history shows a couple of funding irregularities primarily in the state and federal revenue sources.

Budget History - State Board of Education - State Office of Education - Student Achievement					
	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
<b>Sources of Finance</b>					
Uniform School Fund	15,204,100	13,412,800	14,081,200	14,398,800	14,454,900
Uniform School Fund, One-time	0	0	33,200	300,000	(14,300)
Federal Funds	155,088,200	131,518,100	124,210,000	215,756,700	126,068,600
Dedicated Credits Revenue	426,000	240,000	142,900	161,000	146,600
Federal Mineral Lease	352,800	420,900	618,300	553,000	645,000
GFR - Substance Abuse Prevention	450,700	396,500	490,000	494,100	494,500
Transfers - Interagency	1,220,300	278,200	140,000	359,800	140,000
Beginning Nonlapsing	700,000	0	505,600	2,376,100	641,900
Closing Nonlapsing	(435,400)	0	(641,900)	(637,500)	(641,900)
Lapsing Balance	(74,100)	0	(48,400)	(15,700)	0
<b>Total</b>	<b>\$172,932,600</b>	<b>\$146,266,500</b>	<b>\$139,530,900</b>	<b>\$233,746,300</b>	<b>\$141,935,300</b>
<b>Categories of Expenditure</b>					
Personal Services	7,250,500	6,938,300	7,302,700	9,093,600	10,475,300
In-State Travel	155,000	155,800	173,600	195,000	173,600
Out of State Travel	106,000	109,200	114,900	148,400	114,900
Current Expense	11,051,400	10,613,100	10,828,200	13,274,900	10,828,700
DP Current Expense	633,500	399,600	747,300	671,000	747,300
DP Capital Outlay	55,100	8,000	34,000	13,200	34,000
Other Charges/Pass Thru	153,681,100	128,042,500	120,330,200	210,350,200	119,561,500
<b>Total</b>	<b>\$172,932,600</b>	<b>\$146,266,500</b>	<b>\$139,530,900</b>	<b>\$233,746,300</b>	<b>\$141,935,300</b>
<b>Other Data</b>					
Budgeted FTE	111.6	112.0	112.0	140.0	135.0

Table 11-4

In FY 2001, USOE began a significant organizational restructure which combined several programs into the new SASS. For example, prior to FY 2001 Applied Technology Education was a separate division. Federal funds began to increase dramatically from FY 2001 – FY 2002. The State received large federal fund boosts in FY 2002 and FY 2003. Unlike the Uniform School Fund increase, the federal funds have not remained as stable. Implementation of the federal No Child Left Behind program largely explains the dramatic increases in federal revenue.

As mentioned at the beginning of the chapter, the majority of SASS revenue is passed through to local school districts. The pass through expenditure strongly correlates with the federal fund revenue received by the agency. Over 87 percent of the SASS budget was passed through to local districts in FY 2007, leaving approximately 13 percent to fund division operations.

**Special Funding**

The Student Achievement and School Success division receives General Fund Restricted revenue. The GFR – Substance Abuse Prevention Account is defined in UCA 63-63a-5. Statute provides that 2.5% of the account (not to exceed Legislative appropriation) be allocated to the State Office of Education. Funding provides programs in the public schools for: substance abuse prevention and education; substance abuse prevention training for teachers and administrators; and district and school programs to supplement existing local prevention efforts in cooperation with local substance abuse authorities.

Restricted Funds Summary - (Program Name)				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Substance Abuse Prevention	UCA 63-63a-5	Surcharge on all criminal fines, penalties, and forfeitures imposed by the courts. The surcharge is 85% upon conviction of a felony, class A & class B misdemeanor, and drunk/reckless driving. 35% surcharge on any other offense not exempted by statute.	USOE receives 2.5%, not to exceed Legislative appropriation, for substance abuse prevention and education programs for students.	\$21,297

**Table 11-5**

**DATA AND BUSINESS SERVICES****Function**

The Division of Data and Business Services is responsible for providing the State Office of Education and the forty school districts with support in the areas of finance accounting, computer services, and Human Resources.

The following sections are contained within Data and Business Services; Computer Services, Human Resource Management, Internal Accounting and School Finance and Statistics.

**Statutory Authority**

As with all the USOE divisions, Data and Business Services is not defined in statute. As stated above, the division is responsible for accounting, allocation of funds, and statistical information. Fund allocation, tracking, and reporting constitute the majority of division activities. The following statutory references detail programs which prescribe fund allocation, annual reports, or statistical estimations that are done by the section.

- UCA 53A-1-301 – Requires the Superintendent to provide a complete statement of fund balances; a complete statement of state funds allocated to each of the school districts; items such as fall enrollments, average membership, high school graduates, licensed and classified employees, pupil-teacher ratios, class sizes, average salaries; require all school districts to comply with data collection and management procedures; and with the approval of the board, prepare and submit to the governor a budget for the board to be included in the budget that the governor submits to the Legislature.
- UCA 53A-16-101.5 – Provides fund allocation and reporting requirements for the State Board of Education in relation to the School LAND Trust Program.
- UCA 53A-17-101 et. seq. – Chapter 17a “Minimum School Program” requires the State Board of Education to administer MSP programs.

**Funding Detail**

The Uniform School Fund provides the majority of revenue for division operations. Revenue from the federal government fluctuates as grants or programs are obtained or expire. Dedicated credits, generated through billings to the school districts, comprise the remaining revenue that supports the Data and Business Services division. School districts purchase computer programming, software, and other services to support their accounting and student information systems. The billings cover the related IT costs at USOE.

Table 11-6 below details the division budget for the past 5 years. The table shows that nearly half of the revenue supporting the Data and Business Services division gets passed through to the local education agencies.

The Legislature transferred \$181,000 from the USOE line-item to the State Charter School Board for two additional FTE to support Board functions. The USOE reduced these positions from the Data and Business Services section. This transfer of FTE is reflected in the FY 2006 column of the table below.

<b>Budget History - State Board of Education - State Office of Education - Data and Business Services</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	3,926,100	3,669,500	3,892,000	4,073,600	4,135,300
Uniform School Fund, One-time	0	0	24,200	0	(9,900)
Federal Funds	7,809,100	2,812,400	737,100	475,300	834,100
Dedicated Credits Revenue	277,600	502,900	339,900	131,900	339,900
Transfers - Interagency	76,900	0	0	31,300	0
Beginning Nonlapsing	75,000	0	0	0	0
<b>Total</b>	<b>\$12,164,700</b>	<b>\$6,984,800</b>	<b>\$4,993,200</b>	<b>\$4,712,100</b>	<b>\$5,299,400</b>
<b>Categories of Expenditure</b>					
Personal Services	3,076,000	2,980,700	3,139,100	3,229,900	3,431,800
In-State Travel	19,600	19,400	19,200	15,400	19,200
Out of State Travel	9,100	15,400	26,200	24,100	26,200
Current Expense	322,300	242,200	211,000	305,000	219,700
DP Current Expense	487,200	596,000	867,500	630,900	867,500
DP Capital Outlay	0	0	227,900	20,600	227,900
Capital Outlay	0	20,700	0	0	0
Other Charges/Pass Thru	8,250,500	3,110,400	502,300	486,200	507,100
<b>Total</b>	<b>\$12,164,700</b>	<b>\$6,984,800</b>	<b>\$4,993,200</b>	<b>\$4,712,100</b>	<b>\$5,299,400</b>
<b>Other Data</b>					
Budgeted FTE	47.0	47.0	47.0	44.0	44.0
Vehicles	7	7	7	7	7

Table 11-6

**LAW, LEGISLATION AND EDUCATIONAL SERVICES**

<b>Function</b>	<p>The Law, Legislation and Educational Services division provides leadership and support for local school districts, educators, and other education institutions. It combines Educational Equity, Educator Licensing, the Electronic High School, Government and Legislative Relations, Planning and Education Programs, the Utah Education Network, and Public Relations into one division.</p> <p>The division handles teacher licensing, teacher preparation program approval, legal consultation and support, educational equity and training, and fostering the State Strategic Plan within USOE and local school districts.</p>
<b>Statutory Authority</b>	<p>The major statutes referring to functions of Law, Legislation and Education Services deal with educator licensing, evaluation, and standards. The following statutes detail some of the statutory requirements overseen by the division.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-1-402.5 – Directs the board of education to establish basic ethical conduct standards for public education employees.</li> <li>➤ UCA 53A-6-101 et. seq. – Sections 101–702 details the Utah Educator Licensing and Professional Practices Act. This chapter provides licensing requirements for educators, provides teacher classifications, teaching contracts, disciplinary action, etc.</li> <li>➤ UCA 53A-10-101 et. seq. – Sections 101–111 provide statutory provisions for educator evaluation.</li> </ul>
<b>Funding Detail</b>	<p>Similar to the other USOE operating divisions, Law, Legislation and Education Services receives the majority of its revenue from the federal government. Federal grant program revenue such as the Title Programs, Safe and Drug Free Schools, and Teacher Quality are received by the program. The division receives a significant portion of its revenue from Dedicated Credits. The Driver Education Fee assessed when motor vehicles are registered represents the majority of dedicated credits generated by the division. The division also collects fees for educator background checks when a new teacher applies for a license, and out-of-state student fees for the Electronic High School. The remaining division revenue comes from the Uniform School Fund, Federal Mineral Lease, and other small sources.</p> <p>Table 11-7 below details a 5 year history of the division. During the USOE organizational restructure mentioned above, the division was created out of several smaller divisions.</p> <p>In FY 2004, USOE shifted some significant federal grant programs to the division resulting in the sharp increase of federal revenue. The FY 2005 figures have been adjusted to reflect the changes made by the state office.</p>

Budget History - State Board of Education - State Office of Education - Law, Legislation and Education Services					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund, One-time	0	0	0	0	7,500,000
Uniform School Fund	3,572,700	1,380,100	1,364,900	1,792,900	1,067,300
Uniform School Fund, One-time	0	0	10,500	416,000	8,229,300
Federal Funds	3,238,800	48,024,000	78,804,500	12,199,800	77,903,100
Dedicated Credits Revenue	4,601,700	4,798,300	5,229,100	5,381,400	5,695,000
Federal Mineral Lease	290,600	212,000	235,000	241,700	209,400
USFR - Interest and Dividends Account	0	0	0	80,000	81,900
USFR - Professional Practices	78,400	72,000	90,700	226,100	94,200
Transfers	57,100	0	0	59,500	0
Transfers - State Office of Education	0	183,800	26,000	0	26,000
Beginning Nonlapsing	3,283,500	4,281,900	4,168,700	4,818,200	4,667,900
Closing Nonlapsing	(3,695,600)	(4,536,600)	(4,667,900)	(4,665,800)	(4,667,900)
Lapsing Balance	0	0	(16,200)	0	0
<b>Total</b>	<b>\$11,427,200</b>	<b>\$54,415,500</b>	<b>\$85,245,300</b>	<b>\$20,549,800</b>	<b>\$100,806,200</b>
<b>Categories of Expenditure</b>					
Personal Services	1,415,300	2,243,700	2,762,400	2,466,000	18,474,100
In-State Travel	15,300	37,200	48,100	27,900	48,100
Out of State Travel	32,600	31,900	54,000	29,100	54,000
Current Expense	863,700	1,511,600	2,052,200	1,426,500	1,959,100
DP Current Expense	32,900	44,000	192,500	77,500	192,500
DP Capital Outlay	0	0	0	6,600	0
Other Charges/Pass Thru	9,067,400	50,547,100	80,136,100	16,516,200	80,078,400
<b>Total</b>	<b>\$11,427,200</b>	<b>\$54,415,500</b>	<b>\$85,245,300</b>	<b>\$20,549,800</b>	<b>\$100,806,200</b>
<b>Other Data</b>					
Budgeted FTE	26.5	31.0	31.0	37.9	37.8

Table 11-7

**Special Funding**

Law, Legislation and Education Services, receives restricted Uniform School Funds from the Professional Practices Restricted Sub-fund. Fees paid by educators to be licensed in Utah under UCA 53A-6-105 are deposited in the Professional Practices Restricted account. Funding generated through licensing fees supports the operations of processing educator licenses and the Utah Professional Practices Advisory Commission.

Restricted Funds Summary - (Program Name)				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Uniform School Fund: Professional Practices Restricted Subfund	53A-6-105	Fee revenue paid by educators seeking a new, reinstated, or renewal license or endorsement from the State Board of Education.	To pay the costs of issuing licenses, collecting fees, and the operations of the Utah Professional Practices Advisory Commission.	\$3,351

Table 11-8



**INDIRECT COST POOL****Function**

The Indirect Cost Pool funds programs and individuals who administer the State Office of Education. In addition to USOE administrative office functions, the Indirect Cost Pool supports accounting, purchasing, and government/public liaison functions of the State Office of Education.

According to Utah code, an internal service fund agency is defined as “an agency that provides goods or services to other agencies of state government or to other governmental units on a capital maintenance and cost reimbursement basis, and which recovers costs through interagency billings.” The Indirect Cost Pool operates by charging other USOE programs to support its functions. The Indirect Cost Pool takes a portion of all federal and state funds in the operating divisions that support personal services. The rates assessed by the Indirect Cost Pool reflect the percentage amounts allowed under U.S. Department of Education grant provisions that allow states to use a portion of the grant to support the state administration of the grant program.

Statute prohibits the Indirect Cost Pool from billing another program unless the Legislature reviews its budget request and authorizes its revenue, rates, and FTE. Further the Indirect Cost Pool may not acquire capital unless such acquisition is authorized by the Legislature.

For FY 2007, the Legislature established the rates for the Indirect Cost Pool as follows:

1. 14.6 percent of personal costs supported by restricted funds.
2. 17.1 percent of personal costs supported by unrestricted funds.
3. A total of 48 Full Time Equivalent Employees.
4. Authorized Capital Outlay of \$14,800.

**Statutory Authority**

The statutory provision governing Internal Service Funds governs the Indirect Cost Pool.

- UCA 63-38-3.5 – Provides for the governance and review of agency internal service funds. The statute details the process for approval of rates, new internal service funds, capital expenditures, etc.

**Funding Detail**

The Indirect Cost Pool, as stated above, receives its funding from the operating divisions of the State Office of Education. Revenue for the Indirect Cost Pool is represented as Dedicated Credits – Intra-governmental Revenue.

<b>Budget History - ISF - Public Education - ISF - USOE Indirect Cost Pool - ISF - Superintendent Indirect Cost Pool</b>					
<b>Sources of Finance</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
Dedicated Credits - Intragvt Rev	0	3,236,100	3,833,100	0	4,148,000
Transfers	3,166,100	0	0	3,904,400	0
Beginning Nonlapsing	0	0	0	444,600	0
Closing Nonlapsing	0	0	0	(285,700)	0
<b>Total</b>	<b>\$3,166,100</b>	<b>\$3,236,100</b>	<b>\$3,833,100</b>	<b>\$4,063,300</b>	<b>\$4,148,000</b>
<b>Categories of Expenditure</b>					
Personal Services	2,954,500	3,034,300	3,236,600	3,399,200	3,836,900
In-State Travel	3,300	5,500	6,000	10,400	6,000
Out of State Travel	4,200	9,100	12,700	13,100	12,700
Current Expense	400,200	366,700	349,700	457,100	349,600
DP Current Expense	131,000	100,000	173,900	183,500	179,700
DP Capital Outlay	14,800	0	0	0	0
<b>Total</b>	<b>\$3,508,000</b>	<b>\$3,515,600</b>	<b>\$3,778,900</b>	<b>\$4,063,300</b>	<b>\$4,384,900</b>
<b>Profit/(Loss)</b>	<b>(\$341,900)</b>	<b>(\$279,500)</b>	<b>\$54,200</b>	<b>\$0</b>	<b>(\$236,900)</b>
<b>Other Data</b>					
Budgeted FTE	50.0	49.0	49.0	43.0	48.0
Authorized Capital Outlay	75,000.0	75,000.0	14,800.0	0.0	14,800.0
Retained Earnings	(219,600)	(499,100)	(444,900)	0	(812,200)
Vehicles	1	1	1	1	1

Table 11-9

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**INTERNAL SERVICE FUND**

**Function** The State Board of Education operates an Internal Service Fund to support its print shop and mailroom.

As stated above, Internal Service Funds may not bill another program unless the Legislature reviews the ISF's budget request and authorize its revenue, rates and FTE level. The Legislature must authorize capital outlay funds.

The Legislature adopted the following rates for the USOE – Internal Service Fund for FY 2007.

1. Printing: \$19.00 per hour labor  
.04 per Copy;  
and Cost plus 35 percent on printing supplies
2. Mail Room: Cost plus 25 percent on postage.
3. A total of 8 Full Time Equivalent Employees.
4. Authorized Capital Outlay of \$90,000.

**Statutory Authority** The statutory provision governing Internal Service Funds is detailed below.

- UCA 63-38-3.5 – Provides for the governance and review of agency internal service funds. The statute details the process for approval of rates, new internal service funds, capital expenditures, etc.

**Funding Detail** The Internal Service Fund is financed through dedicated credits collected by the program from the Utah State Office of Education operating entities.

Budget History - ISF - Public Education - ISF - USOE Internal Service Fund					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Dedicated Credits - Intragvt Rev	806,300	914,700	866,300	866,700	1,045,700
<b>Total</b>	<b>\$806,300</b>	<b>\$914,700</b>	<b>\$866,300</b>	<b>\$866,700</b>	<b>\$1,045,700</b>
<b>Programs</b>					
ISF - State Board ISF	806,300	914,700	866,300	866,700	1,045,700
<b>Total</b>	<b>\$806,300</b>	<b>\$914,700</b>	<b>\$866,300</b>	<b>\$866,700</b>	<b>\$1,045,700</b>
<b>Categories of Expenditure</b>					
Personal Services	258,500	261,000	267,000	277,900	371,700
Current Expense	574,000	647,100	587,200	530,100	573,700
DP Current Expense	2,200	100	500	200	500
Capital Outlay	22,100	11,600	12,900	12,800	12,900
Other Charges/Pass Thru	43,800	43,300	47,400	45,700	58,900
<b>Total</b>	<b>\$900,600</b>	<b>\$963,100</b>	<b>\$915,000</b>	<b>\$866,700</b>	<b>\$1,017,700</b>
<b>Profit/(Loss)</b>	<b>(\$94,300)</b>	<b>(\$48,400)</b>	<b>(\$48,700)</b>	<b>\$0</b>	<b>\$28,000</b>
<b>Other Data</b>					
Budgeted FTE	8.3	8.0	8.0	8.3	8.0
Authorized Capital Outlay	17,300.0	17,300.0	22,100.0	0.0	90,000.0
Retained Earnings	41,500	(6,900)	(55,600)	0	28,000

Table 11-10

**CHAPTER 12 STATE CHARTER SCHOOL BOARD**

<b>Function</b>	<p>The Legislature passed a Charter School Governance (H.B. 152, 2004 General Session) bill that created the State Charter School Board. The board authorizes and promotes the establishment of charter schools and advises the State Board of Education on charter issues. The State Charter School Board was created as an individual line item during the 2005 General Session.</p> <p>The State Charter School Board consists of seven members appointed by the Governor. Statute details that Charter School Board members must reflect the following qualifications: two members who have expertise in finance or small business management; three members who are appointed from a slate of at least six candidates nominated by Utah's charter schools; and two members who are appointed from a slate of at least four candidates nominated by the State Board of Education. Board member terms last for four years, however, three initial members were appointed for a two-year term.</p> <p>Currently, over 50 charter schools have opened (or will open in the next year.) In fall 2005, over 19,000 students enrolled in charter schools.</p> <p>The Board has a total of four full time staff to support its operations, a staff director and administrative assistant. The State Superintendent appoints the staff director with the consent of the Charter School Board.</p>
<b>Statutory Authority</b>	<p>The following highlight the major statutes dealing with charter schools, and the State Charter School Board.</p> <ul style="list-style-type: none"> <li>➤ UCA 53A-1a-501.5 – Creates the State Charter School Board, defines member qualifications, length of term, appointment process, and compensation.</li> <li>➤ UCA 53A-1a-501.6 – Details the powers and duties of the Charter School Board. Powers include the authorization of charter schools, review and monitor charter schools, provide technical assistance to charter schools, and advise the State Board of Education on charter school issues.</li> <li>➤ UCA 53A-1a-501.7 – Provides the process of appointing a staff director to the Charter School Board.</li> <li>➤ UCA 53A-1a-502 – Details the number of charter schools the Charter School Board may authorize.</li> <li>➤ UCA 53A-1a-503 et. seq. – Sections 501– 515 detail statutory provisions relating to charter schools. Statutory provisions include the purpose of charter schools, application process, requirements for charter schools, provisions for termination of a charter, State Board rule waivers, funding for charter schools, and provisions regulating charter schools approved by local school boards.</li> </ul>
<b>Intent Language</b>	<p>The Legislature directed the State Board of Education to use the funds reallocated from the Utah State Office of Education to provide staff support to the State Charter School Board in the following areas: technical assistance to</p>

charter school applicants, federal grant writing, performance outcome assessment, and financial performance oversight. This intent language is located in H.B. 301 “Supplemental Appropriations Act III” passed during the 2005 General Session.

The Legislature also directed through intent language that the administrative funding appropriated to the State Charter School Board be distributed to the charter schools on an equalized per student basis determined by actual fall enrollment counts. The intent language also requires that charter schools qualify to receive funds through the Minimum School Program – Administrative Cost Formula program in order to benefit from this appropriation. This intent language is located in S.B. 3 “Supplemental Appropriations Act II” passed during the 2005 General Session.

Finally, the Legislature also approved intent language directing the State Board of Education to use start-up funds appropriated for charter schools to equalize the revenue received through the federal charter school start-up grant. Schools that begin operation in fall 2005 should receive up to \$860 per student enrolled when state and federal funds provided for start-up costs are combined. This intent language is located in H.B. 301 “Supplemental Appropriations Act III” passed during the 2005 General session.

### Funding Detail

Table 12-1 below shows the FY 2007 appropriation for the State Charter School Board. Historical funding detail for charter schools may be found as part of the division of Law, Legislation, and Education Services budget detailed above.

Budget History - State Board of Education - State Charter School Board					
	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
<b>Sources of Finance</b>					
Uniform School Fund	0	0	0	474,300	384,500
Uniform School Fund, One-time	0	0	0	2,800,000	4,099,500
Federal Funds	0	0	0	7,429,800	6,535,800
Closing Nonlapsing	0	0	0	(135,700)	0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,568,400</b>	<b>\$11,019,800</b>
<b>Categories of Expenditure</b>					
Personal Services	0	0	0	305,800	335,100
In-State Travel	0	0	0	10,800	21,000
Out of State Travel	0	0	0	12,600	10,600
Current Expense	0	0	0	125,600	79,600
DP Current Expense	0	0	0	1,100	5,600
Other Charges/Pass Thru	0	0	0	10,112,500	10,567,900
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,568,400</b>	<b>\$11,019,800</b>
<b>Other Data</b>					
Budgeted FTE	0.0	0.0	0.0	4.0	4.0

Table 12-1

**CHAPTER 13 UTAH STATE OFFICE OF REHABILITATION****Function**

The Utah State Office of Rehabilitation (USOR), under the direction of the State Board of Education, operates programs designed to assist disabled individuals prepare for and obtain gainful employment as well as increase their independence. USOR contains an Executive Director's Office, and four operating divisions: Services to the Blind and Visually Impaired, Rehabilitation Services, Disability Determination Services, and Services to the Deaf and Hard-of-Hearing.

The Smith-Fess Act authorizing the state-federal vocational rehabilitation program was passed by Congress and signed into law in 1920. The program officially opened in Utah in 1921. The Utah State Office of Rehabilitation was created during the 1988 Legislative session under the direction of the State Board of Education and State Superintendent of Public Instruction. Prior to 1988 two separate departments the Division of Rehabilitation Services and the Division of Services for the Blind and Visually Impaired existed as separate divisions under the State Board.

USOR provides tailored services focusing on the needs, interests, abilities, and informed choices of the individuals served. USOR works in concert with other community service and resource providers to offer rehabilitative services throughout the state.

To be eligible for services, patrons must have a physical or mental impairment that constitutes a substantial impediment to gainful employment. State law requires a financial needs test to determine the extent to which a client may receive services.

**Statutory Authority**

Statutory provisions for the Utah State Office of Rehabilitation may be found in UCA, Section 53A, Chapter 24. In addition to state law, many functions provided by USOR have provisions detailed in federal law. Those federal law references, where available, follow the references in Utah Code.

**Utah Code:**

- UCA Title 53A, Chapter 24 – State Rehabilitation Act, creates and defines the State Office of Rehabilitation and its functions.

**Federal Law:**

- 29 USC 721 (a)(2) – Designates the State Agency/Unit for Rehabilitation Services.

**Funding Detail**

Two primary sources provide revenue for USOR. The largest contributor is the federal government, providing approximately 62 percent of total USOR revenues in FY 2007. In addition to federal funds, USOR receives a significant appropriation from state funds. Uniform School Fund revenues account for roughly 36.2 percent of the total appropriation. The remaining state generated revenue comes from the General Fund. In addition to state and federal resources, the office collects dedicated credits generated primarily through fees and the sale of services, goods and materials.

Table 13-1 provides a 5 year budget history for the Utah State Office of Rehabilitation. More specific budget detail on the USOR operating divisions may be found throughout chapter 13.

<b>Budget History - State Board of Education - State Office of Rehabilitation</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
General Fund	254,900	254,900	254,900	254,900	254,900
Uniform School Fund	17,986,800	18,166,100	18,996,900	19,605,800	20,488,800
Uniform School Fund, One-time	0	0	128,600	300,000	378,400
Federal Funds	29,734,100	32,998,200	34,132,300	32,495,300	35,785,400
Dedicated Credits Revenue	313,200	521,900	441,800	929,000	601,200
Transfers	0	0	0	0	19,400
Transfers - Interagency	465,300	0	0	0	0
<b>Total</b>	<b>\$48,754,300</b>	<b>\$51,941,100</b>	<b>\$53,954,500</b>	<b>\$53,585,000</b>	<b>\$57,528,100</b>
<b>Programs</b>					
Executive Director	1,335,200	1,423,000	1,366,500	1,433,500	1,563,900
Blind and Visually Impaired	5,192,300	4,897,100	5,115,900	5,378,200	5,332,700
Rehabilitation Services	33,279,300	36,486,900	37,939,000	37,163,800	40,002,000
Disability Determination	7,192,300	7,505,200	7,899,000	7,841,100	8,520,000
Deaf and Hard of Hearing	1,755,200	1,628,900	1,634,100	1,768,400	2,109,500
<b>Total</b>	<b>\$48,754,300</b>	<b>\$51,941,100</b>	<b>\$53,954,500</b>	<b>\$53,585,000</b>	<b>\$57,528,100</b>
<b>Categories of Expenditure</b>					
Personal Services	19,552,900	20,017,400	21,545,300	22,592,700	24,592,300
In-State Travel	168,300	187,000	217,500	230,100	217,500
Out of State Travel	22,300	37,500	42,700	57,500	42,700
Current Expense	4,023,100	3,910,600	4,195,600	4,598,800	4,304,000
DP Current Expense	739,700	753,500	658,700	787,800	658,700
DP Capital Outlay	150,200	40,900	5,000	61,300	5,000
Capital Outlay	124,700	15,600	57,500	2,382,100	37,000
Other Charges/Pass Thru	23,973,100	26,978,600	27,232,200	22,874,700	27,670,900
<b>Total</b>	<b>\$48,754,300</b>	<b>\$51,941,100</b>	<b>\$53,954,500</b>	<b>\$53,585,000</b>	<b>\$57,528,100</b>
<b>Other Data</b>					
Budgeted FTE	394.0	404.0	406.0	431.6	434.0
Vehicles	41	41	41	37	41

**Table 13-1**



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**EXECUTIVE DIRECTOR'S OFFICE****Function**

With the approval of the State Board of Education, the State Superintendent appoints the Executive Director of USOR. The Executive Director administers the office in accordance to the direction of the State Superintendent, policies of the State Board, and applicable state and federal laws and regulations.

The Executive Director's Office supervises and coordinates the four operating divisions which include the Division of Services for the Blind and Visually Impaired, the Division of Rehabilitation Services, the Division of Disability Determination Services, and the Division of Services to the Deaf and Hard of Hearing.

Functions of the Executive Director's office include planning, budgeting, policy and procedure development, program evaluation, program and fee approval, facility and lease management, computer network development and maintenance, contracts and monitoring, public relations, special project grants, personnel, and training. The office also acts as the primary interface between the Legislature, the State Board of Education as well as the Rehabilitation Services Administration and the Social Security Administration for the various divisions.

**Statutory Authority**

The following statutes detail the creation of the Executive Director's office, provide for the appointment of the Executive director and enumerate the functions of the office.

**Utah Code:**

- UCA 53A-24-104 – This section directs the State Superintendent, with approval of the State Board of Education to appoint an Executive Director for the State Office of Rehabilitation.
- UCA 53A-24-105 – Details the statutory functions of the Executive Directors Office, including, budgeting, program administration, establish divisions, conduct studies and make reports pursuant to office functions, etc.

**Federal Law:**

- 29 USC 721 (a)(2)(B)(ii) – Executive Director

**Funding Detail**

The Uniform School Fund provides the majority of funding for the Executive Director's Office. The office receives approximately 8 percent of its revenue from the federal government. In addition, the Executive Director's office generates a portion of its revenue from dedicated credits.

The dedicated credits are generated through two receivable contracts USOR has with the Department of Health. One contract involves network support services for a Department of Health office that is located next to a USOR office in the same building. The second contract involves a joint effort with the Governor's Committee on Employment of People with Disabilities through the State Office of Rehabilitation and the Medicaid Infrastructure Grant (DOH) to educate employers about hiring people with disabilities.

The agency transferred some revenue among the various programs from FY 2005 to FY 2006. This transfer explains the relatively large Uniform School Fund appropriation increase from FY 2005 Actual to FY 2006 Appropriated. The FY 2005 actual appropriation, see Table 13-2 below, equals the total appropriation made by the Legislature. Most of the revenue was transferred to the Rehabilitation Services program.

<b>Budget History - State Board of Education - State Office of Rehabilitation - Executive Director</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>
Uniform School Fund	961,100	956,300	916,200	1,040,600	967,100
Uniform School Fund, One-time	0	0	5,000	0	(2,300)
Federal Funds	337,800	424,800	424,400	387,500	557,200
Dedicated Credits Revenue	0	41,900	20,900	5,400	41,900
Transfers - Interagency	36,300	0	0	0	0
<b>Total</b>	<b>\$1,335,200</b>	<b>\$1,423,000</b>	<b>\$1,366,500</b>	<b>\$1,433,500</b>	<b>\$1,563,900</b>
<b>Categories of Expenditure</b>					
Personal Services	935,800	952,700	990,100	1,037,300	1,190,100
In-State Travel	16,000	17,300	21,500	22,000	21,500
Out of State Travel	6,500	6,400	13,500	16,600	13,500
Current Expense	171,500	219,200	173,000	197,800	175,600
DP Current Expense	31,800	94,100	16,900	10,900	16,900
Capital Outlay	34,500	0	0	0	0
Other Charges/Pass Thru	139,100	133,300	151,500	148,900	146,300
<b>Total</b>	<b>\$1,335,200</b>	<b>\$1,423,000</b>	<b>\$1,366,500</b>	<b>\$1,433,500</b>	<b>\$1,563,900</b>
<b>Other Data</b>					
Budgeted FTE	13.0	14.0	13.0	15.0	15.0

Table 13-2

**DIVISION OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED****Function**

The Division of Services for the Blind and Visually Impaired (DSBVI) assists individuals who are blind or visually disabled to obtain employment and increase their independence. The division provides a variety of services that include orientation and mobility assistance, vocational counseling, vocation training, adaptive technology services, adjustment to blindness training activities, visual screening of children, and prevention of blindness training. The division also administers a Business Enterprise Program that includes cafeterias, gift shops, and convenience stores that are operated by the blind.

The DSBVI provides preschool vision screening. According to state law, DSBVI coordinates vision screening for pre-school and kindergarten age children throughout Utah. Several youth with amblyopia and other severe vision problems are discovered each year through the screenings provided by the division.

*Low Vision Services*

Low Vision services provided by DSBVI help citizens throughout the state. The division offers free low vision clinics weekly in Salt Lake City, and on a regular basis throughout the State. The section offers services to aid consumers in adjusting to their particular low vision needs, such as, devices, training, mobility, etc.

DSBVI employs a deaf-blind specialist who provides services for those who are deaf-blind, and coordinates services for individuals with other state or USOR programs. In addition to the deaf-blind specialist, the division receives through the Rehabilitation Services Administration funding to conduct an older-blind program. Individuals age 55 and older with severe vision problems may be eligible for these services. The division employs three full-time older-blind specialists in Logan, Price and St. George and two part-time specialists in Vernal and Moab. These individuals assist the older-blind population in rural areas with in-home instruction, support services, and involvement in division and community programs.

**Statutory Authority**

The statutory references below define the creation of DSBVI, the division's responsibilities and the appointment of an advisory council.

- UCA 53A-24-302 – Creates the Division of Services for the Blind and Visually Impaired within the Utah State Office of Rehabilitation.
- UCA 53A-24-303 – Provides that the Executive Director of USOR appoint the director of the Division of Services for the Blind and Visually Impaired with the approval of the State Board of Education.
- UCA 53A-24-304 – Establishes the duties and responsibilities of DSBVI. The statute also enables the division to provide the Business Enterprise Program, as well as various vocational and employment training services.
- UCA 53A-24-305 – Directs the State Board to appoint an advisory council to assist the division, USOR, and the Board on issues regarding serving blind and visually impaired individuals. The statute

also mandates at least one-third of the council members be individuals that are blind or have visual impairments.

### Funding Detail

The Uniform School Fund provides the largest source of revenue for the division, at approximately 70 percent of total division funds. Federal funds and dedicated credits represent the remaining division revenue at 30 percent. The division generates dedicated credit revenue primarily through the sale of low vision magnification devices, Braille devices, and speech equipment.

The table below provides a 5 year budget history for the division. Funding for the division has remained steady throughout the 5 years in this history.

<b>Budget History - State Board of Education - State Office of Rehabilitation - Blind and Visually Impaired</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	3,308,600	3,165,700	3,240,600	3,515,800	3,428,200
Uniform School Fund, One-time	0	0	20,800	0	(6,200)
Federal Funds	1,796,600	1,659,200	1,793,300	1,798,600	1,837,800
Dedicated Credits Revenue	87,100	72,200	61,200	63,800	72,900
<b>Total</b>	<b>\$5,192,300</b>	<b>\$4,897,100</b>	<b>\$5,115,900</b>	<b>\$5,378,200</b>	<b>\$5,332,700</b>
<b>Categories of Expenditure</b>					
Personal Services	2,505,400	2,739,600	2,939,700	2,991,100	3,115,900
In-State Travel	15,600	24,400	25,400	24,000	25,400
Out of State Travel	3,800	4,900	5,700	7,100	5,700
Current Expense	1,200,600	881,400	975,700	1,109,900	1,031,900
DP Current Expense	276,700	201,800	112,000	132,800	112,000
DP Capital Outlay	150,200	5,800	5,000	5,600	5,000
Capital Outlay	50,800	0	37,000	50,200	37,000
Other Charges/Pass Thru	989,200	1,039,200	1,015,400	1,057,500	999,800
<b>Total</b>	<b>\$5,192,300</b>	<b>\$4,897,100</b>	<b>\$5,115,900</b>	<b>\$5,378,200</b>	<b>\$5,332,700</b>
<b>Other Data</b>					
Budgeted FTE	53.0	56.0	56.0	56.0	58.0
Vehicles	13	13	13	13	13

**Table 13-3**

**DIVISION OF REHABILITATION SERVICES**

<b>Function</b>	Rehabilitation Services provides two major programs, Vocational Rehabilitation and Independent Living.
<i>Vocational Rehabilitation</i>	<p>Vocational Rehabilitation provides services directed towards the goal of employment. Services include counseling and guidance, assistive technology, job training, job placement, and post employment follow-up. Eligibility for vocational rehabilitation is based on the presence of physical or mental impairment that constitutes a substantial impediment to employment. Once determined eligible, an individual will work with a counselor to develop an individualized program that leads to employment.</p> <p>The division provides statewide services to people with disabilities through twenty-eight offices. All forty school districts in the state, through cooperative agreements, receive vocational rehabilitation services. Vocational Rehabilitation Counselors are assigned to each high school in the state. The division also works through cooperative agreements with the Department of Workforce Services, the Division of Children's Health and Special Care Needs, the State Board of Regents, the Division of Services for People with Disabilities, and the Division of Mental Health.</p>
<i>Utah's Independent Living Centers</i>	<p>Statewide Independent Living Centers enable people with disabilities to live independently. The Division of Rehabilitation Services works with the Independent Living Centers, the Division of Services for the Blind and Visually Impaired, and the Utah Statewide Independent Living Council to coordinate services. Services provided include; peer support, skills training, recreation and community integration programs, and assistive technology.</p> <p>Eligibility for the program is based on the presence of a disability coupled with the ability to benefit from services. All services are based individual need in accordance with an IL plan with specific goals and objectives. Services are time-limited and designed to assist consumers increase and maintain their levels of independence and community participation.</p> <p>Currently, six Independent Living Centers (ILC's) and four satellites operate throughout Utah. They include: Options for Independence in Logan with a satellite in Brigham City; Tri-County Independent Center in Ogden; Utah Independent Living Center in Salt Lake City which operates a satellite in Tooele; Central Utah Independent Living Center in Provo; Active Re-Entry Independent Living Center in Price, which operates two satellites in Vernal and Moab; and Red Rock Independent Living Center in St. George. Each ILC operates on a combination of State and federal funding. All ILC's provide, at a minimum, the services detailed above.</p>
<b>Statutory Authority</b>	<p>The statutory references below detail the Division of Rehabilitation Services, Assistive Technology Services, and various advisory councils in Utah law. Appropriate federal law references may be found following the state code section.</p> <p>Utah Code:</p>

- UCA 53A-24-110.5 – Establishes the Rehabilitation Services Advisory Committee as an advisory council for the Utah Center for Assistive Technology.
- UCA 53A-24-110.7 – Provides an ongoing revenue source for Assistive Technology. Funding assists individuals in accessing, customizing, or using assistive technology devices.
- UCA 53A-24-114 – Establishes the Governor’s Committee on Employment of People with Disabilities and defines its duties.
- UCA 53A-24-202 – Establishes within the Utah State Office of Rehabilitation, the Division of Rehabilitation Services.
- UCA 53A-24-203 – Provides that the Executive Director of USOR appoint the director of the Division of Rehabilitation Services with the approval of the State Board of Education.
- UCA 53A-24-204 – Outlines the statutory responsibilities of the Division of Rehabilitation Services.
- UCA 53A-24-205 – Provides for the creation of an advisory council for the Division of Rehabilitation Services to advise the office on issues relating to the needs of persons with disabilities and how they relate to office functions and vocational rehabilitation services.

Federal Law:

- 29 USC 721 (a)(2)(B) – Designated State Unit
- 29 USC 721 (a)(21)(A)(ii) – State Rehabilitation Council
- 29 USC 796 (c) – Independent Living Services
- 29 USC 796 (d) – Statewide Independent Living Council.

**Funding Detail**

The federal government provides the largest portion of division funding at over 64 percent. A combination of state funds (Uniform School Fund and General Fund) contributes roughly 33 percent of division funds. The remaining division revenue is generated through dedicated credits.

The division’s dedicated credits revenue comes from two sources: 1) The Division of Facilities Construction and Management rents a portion of the Buffmire Rehabilitation Services Center building; 2) The Department of Workforce Services Receivable Contract, the Department of Health Receivable Contract, and the Department of Education – At Risk Students Receivable Contract contribute to the dedicated credits revenue.

As noted above, Rehabilitation Services receives revenue from the state’s general fund of \$254,900. This funding stream has existed at the current level for several years. Rehabilitation Services is the only education related agency that receives an ongoing general fund appropriation. The General Fund appropriation provides for the Utah Center for Assistive Technology (UCAT). UCAT began as a federal grant serving multiple state agencies such as; the

Division of Services for People with Disabilities, the Division of Children's Health and Special Care Needs, the Division of Aging, the Department of Workforce Services, etc. When the federal grant ended, the Legislature continued the program and placed the Center under the direction of the Utah State Office of Rehabilitation. The General Funds are used to continue services to other non-education related state agencies.

Table 13-4 shows the 5 year budget history for the division. Division funding has remained fairly consistent over the past 5 years. Except for FY 2003 when the state experienced severe budget stress, Uniform School Funds to the division have increased annually.

As with many of the USOR divisions, Rehabilitation Services passes through the majority of its revenue to other agencies or programs. Rehabilitation Services uses the majority of its pass through revenue in client case management to provide direct services to those clients.

<b>Budget History - State Board of Education - State Office of Rehabilitation - Rehabilitation Services</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>
General Fund	254,900	254,900	254,900	254,900	254,900
Uniform School Fund	12,149,600	12,562,100	13,292,700	13,373,900	14,203,000
Uniform School Fund, One-time	0	0	85,900	300,000	390,500
Federal Funds	20,410,300	23,411,600	24,019,200	22,470,500	24,874,000
Dedicated Credits Revenue	35,500	258,300	286,300	764,500	260,200
Transfers	0	0	0	0	19,400
Transfers - Interagency	429,000	0	0	0	0
<b>Total</b>	<b>\$33,279,300</b>	<b>\$36,486,900</b>	<b>\$37,939,000</b>	<b>\$37,163,800</b>	<b>\$40,002,000</b>
<b>Categories of Expenditure</b>					
Personal Services	10,906,000	11,046,100	11,940,900	12,488,900	13,545,600
In-State Travel	115,700	131,400	160,700	168,300	160,700
Out of State Travel	6,800	14,600	16,500	20,500	16,500
Current Expense	1,747,300	1,897,300	2,099,000	2,314,000	2,126,900
DP Current Expense	294,700	255,800	431,800	506,100	431,800
DP Capital Outlay	0	35,100	0	55,700	0
Capital Outlay	31,700	15,600	0	0	0
Other Charges/Pass Thru	20,177,100	23,091,000	23,290,100	21,610,300	23,720,500
<b>Total</b>	<b>\$33,279,300</b>	<b>\$36,486,900</b>	<b>\$37,939,000</b>	<b>\$37,163,800</b>	<b>\$40,002,000</b>
<b>Other Data</b>					
Budgeted FTE	226.0	226.0	228.0	241.1	242.0
Vehicles	24	24	24	21	24

Table 13-4

**DIVISION OF DISABILITY DETERMINATION SERVICES**

**Function** This state administered federal program develops, adjudicates, and processes all disability claims of Utah residents under Title II and Title XVI of the Social Security Act. It refers disabled adults to the Division of Rehabilitation Services whenever the adult may benefit from vocational rehabilitation services. The determination of who may benefit is based on criteria developed by the Social Security Administration.

**Statutory Authority** The following statutes govern the operation of the Division of Disability Determination Services. Federal law references follow references to Utah Code.

- UCA 53A-24-501 – Creates the Division of Disability Determination Services within the Utah State Office of Rehabilitation.
- UCA 53A-24-502 – Provides that the Executive Director of USOR appoint the director of the Division of Disability Determination Services with the approval of the State Board of Education.
- UCA 53A-24-503 – Provides that DDDS may perform disability determination services authorized under state or federal law or regulation.

**Funding Detail** Disability Determination Services, except for a small Uniform School Fund appropriation, receives its' revenue from the federal government. The \$3,600 in state Uniform School Funds received by the division supports the Disabilities Determination Services Advisory Council (UCA 53A-15-205). Table 13-5 details the division's budget for the past 5 years.

<b>Budget History - State Board of Education - State Office of Rehabilitation - Disability Determination</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	2,900	2,600	3,600	2,400	3,600
Federal Funds	7,189,400	7,502,600	7,895,400	7,838,700	8,516,400
<b>Total</b>	<b>\$7,192,300</b>	<b>\$7,505,200</b>	<b>\$7,899,000</b>	<b>\$7,841,100</b>	<b>\$8,520,000</b>
<b>Categories of Expenditure</b>					
Personal Services	3,969,300	4,069,800	4,470,600	4,761,300	5,067,600
In-State Travel	2,200	1,600	1,100	600	1,100
Out of State Travel	2,200	11,600	6,300	10,200	6,300
Current Expense	567,600	627,800	659,300	656,400	670,900
DP Current Expense	66,700	142,700	49,800	80,700	49,800
Capital Outlay	0	0	0	2,331,900	0
Other Charges/Pass Thru	2,584,300	2,651,700	2,711,900	0	2,724,300
<b>Total</b>	<b>\$7,192,300</b>	<b>\$7,505,200</b>	<b>\$7,899,000</b>	<b>\$7,841,100</b>	<b>\$8,520,000</b>
<b>Other Data</b>					
Budgeted FTE	72.0	76.0	76.0	81.5	81.0

Table 13-5



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**DIVISION OF SERVICES TO THE DEAF AND HARD OF HEARING**

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**Function**

The Division of Services to the Deaf and Hard-of-Hearing (DSDHH) helps increase productivity, independence, and community integration of individuals who are deaf or hard-of-hearing. Program services provided through the Robert G. Sanderson Community Center for the Deaf include: information and referral, educational classes, counseling and case management services, recreation and leisure activities, telecommunication services for the deaf, repair and maintenance of assistive technology, interpreter services, and a library. The division operates four programs: Deaf and Hard of Hearing, Utah Interpreter Programs, Outreach and Technology Program, and the Individualized Program. These programs are detailed in the following paragraphs.<sup>93</sup>

**Programs for the Deaf** – The deaf program includes activities and services to fulfill social, recreational, and adult learning needs with barrier-free communication. Specialized programs have been developed for Deaf Seniors, Deaf teenagers, families with Deaf children, people with multiple disabilities and some degree of deafness, and people who have lost their hearing as adults.

**Programs for the Hard of Hearing** – The Hard of Hearing Specialists work with hard of hearing and late-deafened individuals and their families to support those individuals with building various degrees of adjustment/coping skills by providing a barrier-free environment in which to learn, share experiences and enjoy socialization with others who have similar experiences. They provide classes, workshops, sign language and speech reading training. They also provide information and resources on self-advocacy, assistive technology, purchasing hearing aids, the Americans with Disabilities Act (ADA), self-help strategies and employment issues.

**Utah Interpreter Program** – The program provides interpreter training, mentoring, best practices, and certification. The center offers classes and workshops to help interpreters improve skills, increase knowledge, and prepare for certification.

The Center performs interpreter certification quality assurance evaluations to ensure that deaf community is receiving quality interpreting services.

**Individualized Services Program** – Services are provided at no cost to individuals who are Deaf and Hard of Hearing, such as mental health counseling in family, group or individualized settings; case management services; assistance with reading documents; and referring clients to appropriate agencies or service providers.

**Outreach and Technology Program** – Outreach services offer information and referrals to the public regarding deaf and hard of hearing issues. The program provides presentations or workshops on the needs and technology available for individuals who are Deaf or Hard of Hearing.

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<sup>93</sup> Utah Services to the Deaf and Hard of Hearing, Program Descriptions. Found at: [www.deafservices.utah.gov](http://www.deafservices.utah.gov).

The Center offers a Demonstration Lab that has equipment available for individuals to test before purchase. Equipment includes special phones for the Hard of Hearing, TTY Devices, Doorbell and Phone Transmitters and Flashers, Baby Cry Devices, Fire/Burglar Alarms, computer software and hardware, etc.

**Statutory Authority**

The following statutes detail the creation of the division, division responsibilities, and the appointment of an advisory council. Federal law references follow UCA references.

- UCA 53A-24-402 – Creates the Division of Services to the Deaf and Hard of Hearing within the Utah State Office of Rehabilitation.
- UCA 53A-24-403 – Provides that the Executive Director of USOR appoint the director of the Division of Services to the Deaf and Hard of Hearing with the approval of the State Board of Education.
- UCA 53A-24-404 – Outlines the services the division may provide, including: training and adjustment services for adults with hearing impairments; maintain a register of qualified interpreters; operate community centers for individuals with hearing impairments.
- UCA 53A-24-405 – Directs the State Board to appoint an advisory council to assist the division, USOR, and the Board on issues relating to serving the needs of Deaf and Hard of Hearing individuals. The statute also mandates at least one-third of the council members be individuals with hearing impairments.

**Funding Detail**

Table 13-6 provides a 5 year budget history for the division. The table illustrates that Uniform School Funds represent roughly 89 percent of the total division revenue. The only other revenue source in the division's budget is dedicated credits revenue. The division generates dedicated credits through the sale of services that includes items such as: building rental income (Utah Association for the Deaf and a Bookstore); fees for interpreter certification evaluation; fees for interpreter services to Courts and state agencies; fees for interpreter training workshops; fees for sign language classes; and mental health service fees.

<b>Budget History - State Board of Education - State Office of Rehabilitation - Deaf and Hard of Hearing</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	1,564,600	1,479,400	1,543,800	1,673,100	1,886,900
Uniform School Fund, One-time	0	0	16,900	0	(3,600)
Dedicated Credits Revenue	190,600	149,500	73,400	95,300	226,200
<b>Total</b>	<b>\$1,755,200</b>	<b>\$1,628,900</b>	<b>\$1,634,100</b>	<b>\$1,768,400</b>	<b>\$2,109,500</b>
<b>Categories of Expenditure</b>					
Personal Services	1,236,400	1,209,200	1,204,000	1,314,100	1,673,100
In-State Travel	18,800	12,300	8,800	15,200	8,800
Out of State Travel	3,000	0	700	3,100	700
Current Expense	336,100	284,900	288,600	320,700	298,700
DP Current Expense	69,800	59,100	48,200	57,300	48,200
Capital Outlay	7,700	0	20,500	0	0
Other Charges/Pass Thru	83,400	63,400	63,300	58,000	80,000
<b>Total</b>	<b>\$1,755,200</b>	<b>\$1,628,900</b>	<b>\$1,634,100</b>	<b>\$1,768,400</b>	<b>\$2,109,500</b>
<b>Other Data</b>					
Budgeted FTE	30.0	32.0	33.0	38.0	38.0
Vehicles	4	4	4	3	4

**Table 13-6**



**CHAPTER 14 UTAH SCHOOLS FOR THE DEAF AND BLIND**

<b>Function</b>	<p>The Utah Schools for the Deaf and Blind (USDB) were established in 1896 to meet the educational needs of children with hearing or vision impairments. USDB's mission is to "Provide high quality direct and indirect education services to children with sensory impairments from birth through 21 years of age and their families in Utah."</p> <p>USDB helps children with hearing and/or visual impairments to become competent, caring and contributing citizens. They operate an educational resource center that supplies educational materials to other agencies serving sensory impaired children. Annually, the USDB provides educational services to approximately 1,600 Utah students through three major programs. These programs include; a residential program, self-contained classrooms, and a student consultant program.</p> <p>The Utah State Board of Education is designated in statute as USDB's governing body. In addition to the State Board of Education, the USDB Institutional Council acts as an advisory panel to the State Board of Education, the State Superintendent, and the USDB Superintendent. The role of the USDB Institutional Council is defined in Chapter 15.</p>
<b>Statutory Authority</b>	<p>Utah code details the Schools for the Deaf and Blind in Section 53A, Chapter 25. The following references represent broad statutory segments dealing with the deaf school, blind school and the Institutional Council.</p> <ul style="list-style-type: none"><li>➤ UCA 53A-25-101 et. seq. – Sections 101-111 detail the creation of the School for the Deaf, qualifications for students to enter the deaf school, and the qualities and duties of the school superintendent.</li><li>➤ UCA 53A-25-201 et. seq. - Sections 201-206 further detail the creation of the Blind School. As with the deaf school, statute defines qualifications for students and governance.</li><li>➤ UCA 53A-25-301 et. seq. – Sections 301-306 establish the USDB Institutional Council, as well as, details the appointment and duties of council members.</li></ul>

**Funding Detail**

Table 14-1 provides a 5 year budget history for the Utah Schools for the Deaf and Blind. The Uniform School Fund provides the largest source of revenue for USDB. Uniform School Fund revenue contributes more than 83 percent of the total revenue used to support USDB.

Over the past 5 years, USDB has benefited from a steady and increasing USF appropriation. The remaining revenue supporting USDB comes from dedicated credits generated through contracted services. A significant portion of USDB revenue is transferred from other agencies such as USOE, the Child Nutrition Program, or the Department of Health.

<b>Budget History - State Board of Education - School for the Deaf and Blind</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>
Uniform School Fund	17,214,300	18,106,800	18,996,400	20,256,400	21,992,200
Uniform School Fund, One-time	0	0	170,200	0	(58,100)
Federal Funds	138,500	(316,200)	(160,500)	119,300	77,900
Dedicated Credits Revenue	838,900	609,400	559,800	704,900	841,000
Transfers	0	3,796,900	3,394,600	745,600	3,467,100
Transfers - Child Nutrition	0	0	0	(394,600)	0
Transfers - Health	67,400	0	0	2,224,800	0
Transfers - Interagency	0	0	0	385,200	0
Transfers - State Office of Education	2,995,600	0	0	1,165,900	0
Beginning Nonlapsing	1,410,000	605,600	628,500	360,800	0
Closing Nonlapsing	(1,140,100)	(312,300)	(173,500)	(786,900)	0
Lapsing Balance	0	(38,800)	0	0	0
<b>Total</b>	<b>\$21,524,600</b>	<b>\$22,451,400</b>	<b>\$23,415,500</b>	<b>\$24,781,400</b>	<b>\$26,320,100</b>
<b>Programs</b>					
Instructional Services	12,144,700	12,996,000	12,466,100	13,222,800	14,933,100
Support Services	9,379,900	9,455,400	10,949,400	11,558,600	11,387,000
<b>Total</b>	<b>\$21,524,600</b>	<b>\$22,451,400</b>	<b>\$23,415,500</b>	<b>\$24,781,400</b>	<b>\$26,320,100</b>
<b>Categories of Expenditure</b>					
Personal Services	16,010,500	16,973,600	17,600,600	18,747,000	21,452,200
In-State Travel	282,200	311,400	358,100	465,000	286,500
Out of State Travel	29,900	38,500	38,900	35,300	23,900
Current Expense	4,733,900	4,780,700	4,628,400	5,213,000	4,447,500
DP Current Expense	411,600	287,700	171,100	300,500	110,000
DP Capital Outlay	6,500	0	608,200	(56,400)	0
Capital Outlay	0	58,000	10,200	11,000	0
Other Charges/Pass Thru	50,000	1,500	0	66,000	0
<b>Total</b>	<b>\$21,524,600</b>	<b>\$22,451,400</b>	<b>\$23,415,500</b>	<b>\$24,781,400</b>	<b>\$26,320,100</b>
<b>Other Data</b>					
Budgeted FTE	368.0	372.0	372.0	402.3	409.1
Vehicles	34	34	34	62	62

Table 14-1

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INSTRUCTION**Function**

The Instruction division provides educational programs for the deaf, blind, and deaf-blind children of Utah. It provides residential, daytime, and extension programs in a number of locations throughout the state. The following details significant programs within the division of Instruction. All programs are geared toward meeting the instructional/educational needs of students served by USDB.

**Teacher Consultant Program** – The Teacher Consultant Program provides regular classroom teachers' in the school districts with assistance on how to best meet the educational needs of hearing or visually impaired students.

**Educational Resource Center** – The Educational Resource Center provides materials and equipment to every instructional program throughout the state that has a hearing or visually impaired student. Services include captioned films for the hearing impaired; Braille, large print, and recorded materials; a professional book collection related to sensory impairment; a parent resource library; a textbook depository; visual aids and teaching aids that support the curriculum; and books for recreational reading at appropriate reading levels.<sup>94</sup>

**Parent Infant Program** – The Parent Infant Program provides home based vision and hearing services to families with children who are sensory impaired from birth through three years of age.

**Deafblind Services** – USDB provides services to individuals with dual sensory impairments from birth through age 21. Consultants provide services statewide. Services include, but are not limited to, training, technical assistance, mentoring, teaching and interacting techniques, curricula and learning environment modifications and adaptations, the use of appropriate communication systems, etc.<sup>95</sup>

**Self-Contained Classrooms & Consultant Services** – In addition to the programs detailed above. USDB operates many self-contained classrooms throughout the state. USDB also provides consultant services to deaf, blind or deaf blind students who remain in their local school districts for their education. The self-contained and consultant services represent the largest portion of USDB operations. USDB established geographical service regions (North, Central, and South) for the school for the deaf and school for the blind.

General services provided by USDB include early detection and diagnosis, family support and intervention, core curriculum, additional and adapted core subjects, and transition services for those students progressing to higher education institutions.

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<sup>94</sup> Quigley, Lorri. *Educational Resource Center Division Overview*. Utah Schools for the Deaf and Blind. June, 2004.

<sup>95</sup> Fowers, Darla. *Brief Description of Deafblind Services*. Utah Schools for the Deaf and Blind. June, 2004.

**Funding Detail**

Table 14-2 below details a 5 year budget history for the division. As the table show, the Uniform School Fund provides more than 93 percent of the division's budget. Instruction services is a very labor intensive division, over 95 percent of the division's budget supports employee salaries and benefits.

The increase in Uniform School Funds appropriated to the USDB – Instructional Services line-item largely represents a revenue transfer from the Minimum School Program to USDB. This transfer represents the state revenue received by the Jean Massieu Charter School through the MSP. The revenue was transferred to facilitate the merger of Jean Massieu with the USDB. The FY 2006 FTE count reflects the transfer of Jean Massieu teachers to the USDB.

<b>Budget History - State Board of Education - School for the Deaf and Blind - Instructional Services</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	11,135,100	11,970,100	11,482,700	12,374,600	13,967,900
Uniform School Fund, One-time	0	0	123,600	0	(41,300)
Federal Funds	138,500	(316,200)	(187,300)	69,600	0
Dedicated Credits Revenue	228,100	226,400	251,700	310,600	296,400
Transfers	0	765,700	795,400	340,000	710,100
Transfers - Health	67,400	0	0	116,900	0
Transfers - Interagency	0	0	0	27,200	0
Transfers - State Office of Education	471,200	0	0	540,700	0
Beginning Nonlapsing	104,400	350,000	0	10,600	0
Closing Nonlapsing	0	0	0	(567,400)	0
<b>Total</b>	<b>\$12,144,700</b>	<b>\$12,996,000</b>	<b>\$12,466,100</b>	<b>\$13,222,800</b>	<b>\$14,933,100</b>
<b>Categories of Expenditure</b>					
Personal Services	11,410,900	12,337,400	11,854,200	12,515,900	14,414,500
In-State Travel	163,000	180,900	207,000	208,500	156,900
Out of State Travel	7,300	8,000	19,000	5,700	3,600
Current Expense	525,200	444,700	377,000	482,200	354,800
DP Current Expense	38,300	18,300	8,900	10,500	3,300
Capital Outlay	0	6,700	0	0	0
<b>Total</b>	<b>\$12,144,700</b>	<b>\$12,996,000</b>	<b>\$12,466,100</b>	<b>\$13,222,800</b>	<b>\$14,933,100</b>
<b>Other Data</b>					
Budgeted FTE	254.0	257.0	257.0	281.9	264.1

Table 14-2



**SUPPORT SERVICES****Function**

The Support Services Division provides functions of USDB related to Administration, Educational Support, Residential Care Oversight, and Transportation. The following detail each of the major operating sections of support services.

**Administration** – USDB administration executes the schools' business management (coordinated through the state office of education), personnel services, and data processing functions.

**Educational Support** – Educational Support included professional staff that supports the educational goals of students as outlined in their IEP. These professionals include audiologists, orientation and mobility specialists, physical therapists, and psychologists.

**Resident Services** – In some cases, a student's Individual Education Plan (IEP) indicates that educational goals may be better fulfilled in a residential program. USDB supports four residential cottages (which hold 12 students) and two housing units that hold up to 18 students. Students reside at the school during the week and return home for the weekend.

**Transportation** – Students that receive educational services in a USDB self-contained classroom are bussed from home to the location of their school each day. The division provides coordination between the student's residence and the closest classroom based on disability and classroom capacity. In addition, the division may coordinate the transportation of residential students on the weekends.

**Other Support Services** – In addition to those services mentioned above, USDB has staff to provide food services at school and in the residential facilities, as well as staff to perform building and ground maintenance.

**Funding Detail**

Support Services receives the majority of its revenue from the Uniform School Fund. Over 71 percent of the Support Services budget comes from the USF. The remaining revenue is generated through dedicated credits and transfers from other agencies. The division collects dedicated credits primarily through contracted services, training fees, bookstore/canteen sales, and other small sources. Support Services also receives federal fund transfers from USOE, Child Nutrition Program, and the Department of Health. USDB saw an increase in 28 vehicles due to a consolidation of fleets from DAS.

Table 14-3 below provides a 5 year budget history for the Support Services division.

<b>Budget History - State Board of Education - School for the Deaf and Blind - Support Services</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>
Uniform School Fund	6,079,200	6,136,700	7,513,700	7,881,800	8,024,300
Uniform School Fund, One-time	0	0	46,600	0	(16,800)
Federal Funds	0	0	26,800	49,700	77,900
Dedicated Credits Revenue	610,800	383,000	308,100	394,300	544,600
Transfers	0	3,031,200	2,599,200	405,600	2,757,000
Transfers - Child Nutrition	0	0	0	(394,600)	0
Transfers - Health	0	0	0	2,107,900	0
Transfers - Interagency	0	0	0	358,000	0
Transfers - State Office of Education	2,524,400	0	0	625,200	0
Beginning Nonlapsing	1,305,600	255,600	628,500	350,200	0
Closing Nonlapsing	(1,140,100)	(312,300)	(173,500)	(219,500)	0
Lapsing Balance	0	(38,800)	0	0	0
<b>Total</b>	<b>\$9,379,900</b>	<b>\$9,455,400</b>	<b>\$10,949,400</b>	<b>\$11,558,600</b>	<b>\$11,387,000</b>
<b>Categories of Expenditure</b>					
Personal Services	4,599,600	4,636,200	5,746,400	6,231,100	7,037,700
In-State Travel	119,200	130,500	151,100	256,500	129,600
Out of State Travel	22,600	30,500	19,900	29,600	20,300
Current Expense	4,208,700	4,336,000	4,251,400	4,730,800	4,092,700
DP Current Expense	373,300	269,400	162,200	290,000	106,700
DP Capital Outlay	6,500	0	608,200	(56,400)	0
Capital Outlay	0	51,300	10,200	11,000	0
Other Charges/Pass Thru	50,000	1,500	0	66,000	0
<b>Total</b>	<b>\$9,379,900</b>	<b>\$9,455,400</b>	<b>\$10,949,400</b>	<b>\$11,558,600</b>	<b>\$11,387,000</b>
<b>Other Data</b>					
Budgeted FTE	114.0	115.0	115.0	120.3	145.0
Vehicles	34	34	34	62	62

Table 14-3

**CHAPTER 15 UTAH SCHOOLS FOR THE DEAF AND BLIND – INSTITUTIONAL COUNCIL****Function**

The USDB – Institutional Council line item was created by the Legislature during the 2003 General Session. The Institutional Council was created in statute to act as an advisory panel to the State Board of Education when considering the educational needs of deaf, blind or deaf/blind students. Council members are appointed by the State Board of Education based on their interest and knowledge of the educational needs of students with sensory impairments.

In addition to the general educational needs of sensory impaired students, the Institutional Council may make recommendations or give advice to the State Superintendent and the State Board of Education with respect to the continued employment of the USDB superintendent. The council may also wish to provide input on staff positions, school policy, budget, and operations. The State Board of Education may choose to delegate additional duties to the Institutional Council.

The line item was created by the Legislature at the request of USDB. The purpose was to shift the revenue generated from the interest and dividends derived from the permanent fund created for the Schools for the Deaf and Blind at statehood. These funds are distributed by the School and Institutional Trust Lands Administration. Utah Code, UCA 53A-25-306, restricts the use of Trust Land funds to the Education Enrichment Program for the Hearing and Visually Impaired

**Statutory Authority**

The following statutes detail provisions relating to the Institutional Council.

- UCA 53A-25-301 – Establishes the council as an advisory panel of the State Board of Education.
- UCA 53A-25-302 – Provides for the appointment and length of term for council members.
- UCA 53A-25-304 – Details the statutory duties of the council in relation to its function as an advisory to the State Board.
- UCA 53A-25-305 – Directs the State Board to adopt policies and programs for providing appropriate educational services to individuals who have dual sensory impairments and designate an individual within the State Office of Education to act as a resource coordinator for the board on public education programs designed for individuals who are dual sensory impaired.

**Funding Detail**

As mentioned at the beginning of the chapter, the USDB – Institutional Council line item was created in the 2003 General Session. Because of its relatively new creation, the 5 year budget history provided in Table 15-1 only contains information for FY 2004 through FY 2007. Prior to FY 2004 Institutional Council funding was tracked in the Support Services division at USDB.

The Institutional Council line item is funded entirely through dedicated credits. These dedicated credits are the interest and dividends earned off the investment of the permanent fund created for the education of the hearing and visually impaired.

<b>Budget History - State Board of Education - USDB - Institutional Council - Institutional Council</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Dedicated Credits Revenue	0	377,600	630,300	608,400	477,200
Beginning Nonlapsing	0	396,100	437,300	693,800	358,800
Closing Nonlapsing	0	(437,300)	(693,800)	(782,400)	(408,500)
<b>Total</b>	<b>\$0</b>	<b>\$336,400</b>	<b>\$373,800</b>	<b>\$519,800</b>	<b>\$427,500</b>
<b>Categories of Expenditure</b>					
Personal Services	0	246,200	314,800	416,600	417,100
In-State Travel	0	1,000	700	500	300
Current Expense	0	82,400	58,000	59,700	8,100
DP Current Expense	0	6,800	300	43,000	2,000
<b>Total</b>	<b>\$0</b>	<b>\$336,400</b>	<b>\$373,800</b>	<b>\$519,800</b>	<b>\$427,500</b>
<b>Other Data</b>					
Budgeted FTE	0.0	6.0	6.0	6.0	6.0

Table 15-1

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**CHAPTER 16 CHILD NUTRITION PROGRAMS**

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**Function**

These federal assistance programs have the purpose of offering high quality, nutritionally well-balanced meals and to develop nutrition awareness among students. The programs offer low cost or free meals to children in public and non-profit private schools. The state contributes to the nutrition programs with revenue generated through the liquor tax.

The Child Nutrition staff provides technical assistance as requested by participants; develops an annual financial and staffing plan; provides free and reduced price meal policy; interprets state and federal regulations; and performs administrative and nutritional reviews in districts and institutions to assure compliance with state and federal regulations.

The federal child nutrition programs were authorized under the National School Lunch Act of 1946, the Child Nutrition Act of 1966, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The programs strive to improve the nutritional well being of children, enabling them to reach their full potential. The following are the primary programs administered by the Child Nutrition Section at USOE, in accordance with USDA regulations.<sup>96</sup>

**National School Lunch Program** – Four funding sources contribute to the National School Lunch Program, namely, Federal Funds, State Funds, USDA Commodities and Local Revenue. Commodities include items such as meat, vegetables, cheese, and staples such as flour, oils etc. This program serves a dual need; support for the agriculture industry, and the nutritional needs of children.

Meals provided in the schools must meet the nutritional requirements of the “Dietary Guidelines for Americans,” published by the USDA and U.S. Department of Health and Human Services. Guidelines indicate that meals should provide for one-third of a child’s daily nutritional requirements. Free and Reduced price lunches are available for children who meet the eligibility requirements detailed in “Free and Reduced Price Lunch Guidelines” below.

**National School Breakfast Program** – Schools have the option of participating in the School Breakfast Program. The same eligibility requirements used in determining the need for free or reduced price lunch are used for the breakfast program, see “Free and Reduced Price Lunch Guidelines” below.

**Severe Need Breakfast Program** – The Severe Need Breakfast Program aids local schools that have 40 percent or more of their population qualifying for free or reduced price lunches. The program enables these children the opportunity to have at least two nutritionally balanced meals each day. The Child Nutrition Section at the State Office of Education tracks which schools qualify for the program and notifies schools of their eligibility. Federal and local funds are used for the Regular and Severe Need Breakfast Programs.

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<sup>96</sup> Information used in the summaries for the various Child Nutrition Programs was obtained through the Utah State Office of Education, Child Nutrition Programs website. Full detail may be found at: [www.schools.utah.gov/cnp](http://www.schools.utah.gov/cnp)

**Special Milk Program** – Children who do not participate in the other nutrition programs, for example, children attending kindergarten may participate in the Special Milk Program. The federal government provides a reimbursement for each half-pint of milk. Children are charged the difference between the reimbursement and the actual cost. Children not able to pay the difference may receive milk free of charge; the federal reimbursement covers the full cost of the milk in this instance.

**Summer Food Service Program** – The Summer Food Service Program provides meals on a regular basis when school is not in session. To be eligible the school must show that 50 percent or more of their students were served free or reduced price meals. Once the need has been demonstrated, then all children who attend the school are eligible to participate in the program. The Summer Food Service Program is entirely federally funded.

**Food Distribution Program** – The USDA distributes food to institutions and programs that provide nutritional services to eligible persons. These programs include the National School Lunch Program, the Child and Adult Care Food Program and the Summer Food Service Program. Participating agencies enter into an annual agreement to receive commodities.

**Emergency Food Assistance Program** – The Emergency Food Assistance Program provides food and federal cash assistance to food banks, pantries and emergency shelters. Foods are distributed through local pantries to individuals in economic distress and for meal services at shelters. The cash assistance helps food banks defray the expense of administration of the program and in the storage and distribution of the food. The state appropriation supports state level administrative expenses, including warehouse receipt and some distribution to shelters.

**Free and Reduced Price Lunch Guidelines** – Children whose household income is at or below 130 percent of federal poverty guidelines may receive school meals at no charge. Children are entitled to pay a reduced price if their household income is above 130 percent but at or below 185 percent of these guidelines. Children are automatically eligible for free school meals if their household receives food stamps, benefits under the Food Distribution Program on Indian Reservations or, in most cases, benefits under the Temporary Assistance for Needy Families (TANF) program.<sup>97</sup>

All income actually received by the household is counted in determining eligibility for free and reduced price meals. This includes salary, public assistance benefits, social security payments, pensions, unemployment compensation etc. The only exceptions are benefits under Federal programs which, by law, are excluded from consideration; in-kind benefits, such as military on-base housing, certain kinds of assistance for students and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

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<sup>97</sup> Utah State Office of Education, Child Nutrition Programs, Frequently Asked Questions. Available online at: [www.schools.utah.gov/cnp](http://www.schools.utah.gov/cnp)

**Statutory Authority**

As federal assistance programs, little statutory language exists in Utah code defining the Child Nutrition Programs detailed above. The following statutory references comprise school lunch programs in Utah code. Only two sections deal with school lunch, both deal with programmatic funding.

- UCA 53A-19-201 – Places the control of federal school lunch revenues with the State Board of Education. The statute also details the usage of school lunch funds, revenue apportionment, and reporting requirements.
- UCA 59-16-101 – Provides for a 13% sales tax on wine and distilled liquor sold in state liquor stores. Generated revenue is deposited into the Uniform School Fund to support the school lunch program.

**Funding Detail**

As detailed in Table 16-1, the majority of Child Nutrition revenue comes from the federal government. The State supports the school lunch programs by assessing a tax on liquor and wine. This tax, shown in Table 10-1 as dedicated credits revenue provides for approximately 15 percent of the total program.

Approximately 98 percent of the total revenue generated for the program gets passed on to local school districts. The remaining 2 percent supports the Child Nutrition division at the State Office of Education.

<b>Budget History - State Board of Education - Child Nutrition</b>					
<b>Sources of Finance</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
Uniform School Fund	164,400	140,100	143,900	150,100	157,400
Uniform School Fund, One-time	0	0	900	0	(400)
Federal Funds	91,838,700	95,983,700	100,223,900	103,412,100	101,626,700
Dedicated Credits Revenue	15,799,200	16,803,500	18,123,100	20,585,700	16,830,500
Lapsing Balance	0	0	(1,500)	0	0
<b>Total</b>	<b>\$107,802,300</b>	<b>\$112,927,300</b>	<b>\$118,490,300</b>	<b>\$124,147,900</b>	<b>\$118,614,200</b>
<b>Categories of Expenditure</b>					
Personal Services	1,250,500	1,290,700	1,446,100	1,465,500	1,577,800
In-State Travel	18,200	27,000	19,000	16,200	19,000
Out of State Travel	24,100	19,100	16,300	25,900	16,300
Current Expense	814,600	808,000	582,500	630,100	587,100
DP Current Expense	26,500	38,000	8,200	84,400	8,200
Other Charges/Pass Thru	105,668,400	110,744,500	116,418,200	121,925,800	116,405,800
<b>Total</b>	<b>\$107,802,300</b>	<b>\$112,927,300</b>	<b>\$118,490,300</b>	<b>\$124,147,900</b>	<b>\$118,614,200</b>
<b>Other Data</b>					
Budgeted FTE	26.0	26.0	26.0	26.0	26.0
Vehicles	1	1	1	1	1

Table 16-1



**CHAPTER 17 EDUCATION OUTREACH PROGRAMS – FINE ARTS AND SCIENCE EDUCATION****Function**

For more than 40 years, the Legislature has funded Fine Arts and Science education outreach programs in the public schools. Origins began in the 1960's with the Utah Symphony. The Legislature provided funds “. . . to finance concerts in the public school districts. The appropriation is given to the Department of Public Instruction who will reimburse the orchestra for the cost of these programs.”<sup>98</sup>

With the inclusion of Ballet West in 1972-73, the education outreach programs began to grow. The Legislature, through passage of S.B. 17 in the 39th Legislature, included the Ballet. “The sum of \$50,000 is appropriated to the State Board of Education from the Uniform School Fund for the purpose of arranging with Ballet West to give not less than 48 ballet concerts in the public schools. . . The school district and the students shall not be charged for these concerts.”<sup>99</sup> Shortly after the Ballet, the Clark Planetarium (formerly Hansen Planetarium) and the Utah Opera began to provide services in the schools. The program has grown to over 12 participating organizations.

The Education Outreach Programs enable Utah's professional art and science organizations to provide their expertise and resources in the teaching of the state's fine art and science core curricula. The organizations support and enhance the state curriculum by providing educational services such as, demonstrations, performances, presentations, and activities in the public schools.

Program participants collaborate with the State Office of Education and the school community in planning the content of art/science education in the schools. The participants extend professional performances and presentations to students in the schools and at professional venues. The program ensures that each of the 40 school districts receive services in a balanced and comprehensive manner over a three year period.

**Program Bifurcation**

During the 2006 General Session, the Legislature split the Education Outreach Programs into two separate line items. Each line item provides funding for educational outreach services but bifurcate the program by category. Namely, one program exclusively serves fine arts organizations while the other serves science organizations.

All programs continue to provide outreach services in the public schools. The bifurcation allows for cleaner oversight of revenues supporting education outreach by service category and the ability to direct revenues to meet specific objectives.

<sup>98</sup> Appropriations Report, 1970-71. *A Summary of Fiscal Action Taken by the 38<sup>th</sup> Utah State Legislature, Budget Session.* Office of the Legislative Fiscal Analyst. February, 1970.

<sup>99</sup> Appropriations Report, 1972-73. *A Summary of Fiscal Action Taken by the 39<sup>th</sup> Utah State Legislature, Budget Session.* Office of the Legislative Fiscal Analyst, February, 1972.

**Statutory Authority**

Utah Code does not specifically establish the Education Outreach Programs. Various actions taken by the Legislature, namely, bills, intent language and budget appropriations have continued the program over time. Statute enables the State Board of Education to establish minimum requirements for the public schools as well as the core curricula. The following statutes direct the creation of minimum standards and the core curricula.

- UCA 53A-1-402 – Directs the State Board of Education to establish standards for the public schools, including curriculum and instruction requirements of students.
- UCA 53A-1-402.6 – Relating to UCA 53A-1-402, the Board shall implement a core curriculum that enables students to, among other objectives, identify the basic knowledge, skills, and competencies each student is expected to acquire or master.

**Funding Detail**

Table 17-1 provides a budget history for the Fine Arts and Science program prior to program bifurcation. The programs are funded entirely through a Uniform School Fund appropriation. Funds pass through the state office of education to the participating members.

<b>Budget History - State Board of Education - Fine Arts and Sciences</b>					
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>
Uniform School Fund	3,377,500	2,934,300	2,979,000	2,991,500	2,979,000
Uniform School Fund, One-time	0	0	0	307,500	330,000
Beginning Nonlapsing	0	12,400	0	0	0
<b>Total</b>	<b>\$3,377,500</b>	<b>\$2,946,700</b>	<b>\$2,979,000</b>	<b>\$3,299,000</b>	<b>\$3,309,000</b>
<b>Programs</b>					
Request for Proposal Program	272,400	12,400	80,000	140,000	140,000
Arts and Science Subsidy	0	0	0	50,000	50,000
Professional Outreach Programs in the	0	0	0	3,109,000	3,119,000
Clark Planetarium	471,500	445,600	440,200	0	0
Ririe-Woodbury Dance Company	89,700	84,700	83,700	0	0
Repertory Dance Company	91,200	86,200	85,200	0	0
Children's Dance Theater	105,400	99,600	98,400	0	0
Utah Opera Company	218,400	206,400	203,900	0	0
Ballet West	417,500	394,500	389,800	0	0
Utah Symphony	857,400	810,200	800,500	0	0
Springville Arts Museum	131,300	124,100	122,600	0	0
Children's Museum of Utah	48,200	45,500	44,900	0	0
Utah Museum of Natural History	282,700	267,200	264,000	0	0
Utah Festival Opera	174,600	165,000	163,000	0	0
Utah Shakespearean Festival	217,200	205,300	202,800	0	0
<b>Total</b>	<b>\$3,377,500</b>	<b>\$2,946,700</b>	<b>\$2,979,000</b>	<b>\$3,299,000</b>	<b>\$3,309,000</b>
<b>Categories of Expenditure</b>					
Current Expense	0	12,400	0	0	0
Other Charges/Pass Thru	3,377,500	2,934,300	2,979,000	3,299,000	3,309,000
<b>Total</b>	<b>\$3,377,500</b>	<b>\$2,946,700</b>	<b>\$2,979,000</b>	<b>\$3,299,000</b>	<b>\$3,309,000</b>

**Table 17-1**

The following sections provide additional information and budget breakdowns for the Education Outreach Programs after bifurcation. Additional budget tables will also provide further detail on the two education outreach line item programs following the program bifurcation in FY 2007.

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**EDUCATION OUTREACH – PROGRAM CATEGORIES****Introduction**

Bifurcation of the Fine Arts and Sciences program created two distinct line items with similar operating programs. Each of these operating programs provides direct educational services in the schools but each has a slightly different focus.

Statewide Education Outreach Programs**Function**

Formerly referred to as the Professional Outreach Program in the Schools (POPS), the statewide outreach programs have three main objectives; to support and enhance the state's art or science core curriculum; the collaboration of professional art or science organizations with the USOE and the school community in planning the content of art and science education; and a three year, balanced and comprehensive plan to include all 40 school districts in the state.

The professional art and science organizations enhance the state core curriculum through the following services:<sup>100</sup>

5. Performances, presentations and workshops that enable students and teachers to observe models of professional level performance and instruction.
6. Professional Development services that provide classroom teachers with access to art and science specialists, as well as provide instructional models and resources for teaching other core subjects using art and science techniques.
7. Instructional materials that enhance the teaching/learning process of teachers and students. Items may include audio and video recordings, on-line resources, preparatory materials for presentations, and lesson plans to aid in student instruction.

Every four years the program participants go through a process to reestablish their participation and level of funding in the art or science programs. The Utah State Office of Education validates the organization's function in the planned curriculum for art and science instruction in the schools. The USOE reports to the Legislature any problems or changes necessary to implement and maintain the validity of the two Statewide Education Outreach Programs.

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<sup>100</sup> Guidelines. "Professional Outreach Programs in the Schools." Utah State Board of Education. Found at: <http://www.usoe.k12.ut.us/curr/FineArt/POPS/POPSoverview.htm>

Request for Proposal Programs**Function**

The RFP programs in the Fine Arts Outreach and the Science Outreach programs enable smaller more regional professional organizations to participate in art or science education delivery. The RFP programs allow organizations to develop educational programs geared to the state core curriculum, expand to provide statewide outreach, and once established receive ongoing funding by becoming a service provider in the Statewide Education Outreach Program.

RFP organizations may apply to move to the Statewide Education Outreach Program once they have successfully participated in either the Fine Arts or Science RFP outreach program for three years and demonstrated that they have a proven quality of service, fiscal responsibility and a core curriculum-based focus in their school program. The following details the State Office of Education's RFP regulations and eligibility requirements. See below for the Statewide Education Outreach Program application procedure.<sup>101</sup>

8. Only non-profit groups or organizations may apply. Individuals are not eligible. Statewide Education Outreach Programs or Fine Arts Subsidy organizations are not eligible.
9. Groups or organizations that apply must have existed for at least three years with a track record of proven or demonstrated excellence in their discipline. "Proven Quality" may stem from a peer review process, proven fiscal responsibility, and/or being a recipient of grant awards at a national level.
10. Groups or organizations that apply must have the ability to share their discipline(s) creatively and effectively in educational settings.
11. Funding will follow a one to three year cycle. Groups or organizations funded for more than one year are expected to submit the original application each year of the approved cycle.
12. Groups or organizations may reapply for a new funding cycle when the term of their application has concluded.

The following details the application procedure for a RFP organization to move to the Statewide Education Outreach Program. The language was approved during the 1999 Legislative Session.<sup>102</sup>

January – April

13. Research and evaluation of how current programs offered by the organization fulfill student/teacher needs in achieving the objectives of the Arts and Science core curricula.

<sup>101</sup> Guidelines. "Professional Outreach Programs in the Schools." Utah State Board of Education. Found at: <http://www.usoe.k12.ut.us/curr/FineArt/POPS/POPSoverview.htm>

<sup>102</sup> Guidelines. "Professional Outreach Programs in the Schools." Utah State Board of Education. Found at: <http://www.usoe.k12.ut.us/curr/FineArt/POPS/POPSoverview.htm>

14. Development of a master plan that uses the organization's talents and resources to best serve the educational need the organization chooses to target.
15. Creation of a budget that itemizes the costs of the master plan for each year. The actual dollar request by the organization must be no more than 50% of that annual figure. The organization will need to have an official audit to validate the budget, preferably over a three-year period.

#### May

16. Collaboration with State Office of Education in developing application to the State Board of Education. Collaboration identifies the most important classroom needs and which of those needs an applying organization can most effectively address in the programming provided. In addition, develop strategies to measure progress towards meeting those needs and to evaluate the quality of the products and processes of services.

#### June 1

17. Submission of application to State Board of Education, via State Superintendent of Public Instruction. The school board then determines its position on the application and sends that recommendation to the legislature in its budget requests for the year. Of course, not included in this timeline are the usual "lobbying" efforts involved in educating school board members, legislators and the governor's office.

#### Subsidy Program

#### **Function**

During the 2004 General Session, the Legislature created the Fine Arts Subsidy Program. The program targets RFP participants that have participated in the program for several years but do not qualify for the Statewide Education Outreach Program.

An RFP participant wishing to move into the Subsidy Program must demonstrate to the State Board of Education: that the organization has participated in the RFP program for a number of years; that the participant must has a proven record of success in providing valuable educational services in the public schools; and that due to a specific program requirement they do not qualify for entry into the Statewide Education Outreach Program.

The State Board of Education evaluates the proposal for entry into the subsidy program. The Board also determines individualized participation and reporting requirements for the new subsidy organization, and may seek additional funding from the Legislature to support the approved program.

Science Enhancement Program

During the 2006 General Session, the Legislature created the Science Enhancement program. The program provides additional resources to statewide science outreach organizations to expand their programs in order to reach more students and teachers. Organizations are required to apply for funding and demonstrate the additive nature (in terms of more students/teachers served or program quality) of their proposal.

The bifurcation proposal adopted by the Public Education Appropriations Subcommittee during the 2006 General Session included the Science Enhancement Program as a pilot program. Following a successful program review, expansion to the Fine Arts Outreach Program may provide a mechanism for increasing the quality of fine arts education provided throughout the state.

**Funding Detail**

In FY 2007, the Legislature approved a \$1,000,000 increase in ongoing Uniform School Fund revenue to the Fine Arts Outreach and Science Outreach programs. The increase provided a 9 percent increase to the Statewide Education Outreach Programs in both the fine arts and science programs, provided funding for an additional science outreach provider, established the Science Enhancement Program and an RFP program in the Science Outreach Program.

**Fine Arts Outreach Program**

<b>Budget History - State Board of Education - Fine Arts Outreach</b>					
<b>Sources of Finance</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
Uniform School Fund	0	0	0	0	2,639,600
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,639,600</b>
<b>Programs</b>					
Professional Outreach Programs	0	0	0	0	2,515,100
Requests for Proposals	0	0	0	0	70,000
Subsidy Program	0	0	0	0	54,500
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,639,600</b>
<b>Categories of Expenditure</b>					
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,639,600</b>

Table 17-2

**Science Outreach Program**

<b>Budget History - State Board of Education - Science Outreach</b>					
<b>Sources of Finance</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
Uniform School Fund	0	0	0	0	1,339,400
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,339,400</b>
<b>Programs</b>					
Science Outreach Programs	0	0	0	0	959,400
Requests for Proposals	0	0	0	0	180,000
Science Enhancement	0	0	0	0	200,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,339,400</b>
<b>Categories of Expenditure</b>					
Other Charges/Pass Thru	0	0	0	0	1,339,400
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,339,400</b>

Table 17-3



**CHAPTER 18 EDUCATION CONTRACTS****Function**

Education Contracts provides funding for the education of students in state custody. Two primary programs provide these services. The Youth Center in Provo provides services to students at the State Hospital, and Corrections Institutions provides services to inmates in the state's correctional facilities.

The Utah State Board of Education takes responsibility for the education of students in state custody and acts as the "school board" governing their education. The board contracts with various school districts to provide educational services at the Youth Center and in the State Prisons.

**Funding Detail**

Revenue to support the Education Contracts program comes entirely from the Uniform School Fund. Table 18-1 provides a 5 year budget history for the line item. The table also details the individual budget amounts for the Youth Center and Corrections Institutions. All revenue supports the education of individuals in the custody of the state and is passed through to the local school districts providing those services. The current expense expenditure supports activities related to providing services in the State's correctional facilities.

<b>Budget History - State Board of Education - Educational Contracts</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	3,831,800	3,854,800	3,854,800	3,854,800	3,854,800
Uniform School Fund, One-time	46,500	0	0	0	0
Beginning Nonlapsing	5,200	59,000	0	0	0
Closing Nonlapsing	(59,000)	0	0	0	0
Lapsing Balance	0	(52,000)	0	0	0
<b>Total</b>	<b>\$3,824,500</b>	<b>\$3,861,800</b>	<b>\$3,854,800</b>	<b>\$3,854,800</b>	<b>\$3,854,800</b>
<b>Programs</b>					
Youth Center	1,160,200	1,153,200	1,153,200	1,153,200	1,153,200
Corrections Institutions	2,664,300	2,708,600	2,701,600	2,701,600	2,701,600
<b>Total</b>	<b>\$3,824,500</b>	<b>\$3,861,800</b>	<b>\$3,854,800</b>	<b>\$3,854,800</b>	<b>\$3,854,800</b>
<b>Categories of Expenditure</b>					
Current Expense	11,400	15,200	15,200	15,200	15,200
Other Charges/Pass Thru	3,813,100	3,846,600	3,839,600	3,839,600	3,839,600
<b>Total</b>	<b>\$3,824,500</b>	<b>\$3,861,800</b>	<b>\$3,854,800</b>	<b>\$3,854,800</b>	<b>\$3,854,800</b>

Table 18-1

## YOUTH CENTER

## Function

The State Hospital provides specialized mental health services that are difficult to obtain in many communities. The Utah State Board of Education has the responsibility of providing an educational program to all school age children at the State Hospital in Provo. The State Board of Education contracts with the Provo School District to provide educational services at the youth center.

Mountain Brook Elementary and East Wood High School are self-contained schools providing specialized educational services to the students at the State Hospital. In addition to general education services, the Youth Center provides additional personnel for specialized services, such as, interveners, speech/language pathologists, counselors, and psychologists. Due to the nature of mental illness, a high adult to student ratio is required to provide appropriate educational services.

There are two primary units at the youth center, the Children's Unit and the Adolescent Unit. Together, these two programs serve approximately 75-100 school age students.

The Children's Unit (Mountain Brook) serves youth ranging from age 6 to age 13. The Adolescent Unit (East Wood) serves youth ages 13 to 18 years. Both units are usually at or near capacity.

## Statutory Authority

The Education Contracts – Youth Center has the following statutory requirements.

- UCA 53A-1-403 – Places the direct responsibility for the education of persons under the age of 21 in the custody of the Department of Human Services, or a juvenile detention agency with the State Board of Education.

## Funding Detail

Table 18-2 provides a 5 year budget history for the Youth Center in Provo. The entire budget amount supports the education of students at the center. Program funds are passed through to Provo School District.

Budget History - State Board of Education - Educational Contracts - Youth Center					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Uniform School Fund	1,146,300	1,153,200	1,153,200	1,153,200	1,153,200
Uniform School Fund, One-time	13,900	0	0	0	0
<b>Total</b>	<b>\$1,160,200</b>	<b>\$1,153,200</b>	<b>\$1,153,200</b>	<b>\$1,153,200</b>	<b>\$1,153,200</b>
Categories of Expenditure					
Other Charges/Pass Thru	1,160,200	1,153,200	1,153,200	1,153,200	1,153,200
<b>Total</b>	<b>\$1,160,200</b>	<b>\$1,153,200</b>	<b>\$1,153,200</b>	<b>\$1,153,200</b>	<b>\$1,153,200</b>

Table 18-2

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**CORRECTIONS INSTITUTIONS**

<b>Function</b>	<p>The recidivism reduction program used by the state is a nine-component program designed to enhance the education and job skills of inmates so they will be a positive addition to society when released from prison. The nine components of the program include: Inmate Assessment, Cognitive Problem Solving Skills, Basic Literacy Skills, Career Skills, Job Placement, Post Release Support, Research and Evaluation, Family Involvement, and Multi-agency Collaboration.</p> <p>School districts, applied technology centers, colleges, and universities that have correctional facilities within their boundaries provide educational services for inmates. The primary recipients of contract funds are the Jordan and South Sanpete school districts. In addition to traditional education strategies, such as, testing/assessment, basic literacy, ESL, high school completion/GED, occupational training, etc., emphasis is placed on cognitive restructuring and transition assistance.</p> <p>During the past year, school districts and higher education institutions provided educational services in the state prisons or county jails.</p>
<b>Statutory Authority</b>	<p>Statute details the education program for persons in the custody of the Department of Corrections.</p> <ul style="list-style-type: none"><li>➤ UCA 53A-1-403.5 – Provides that subject to Legislative appropriation, the State Board of Education and the State Board of Regents are responsible for providing educational services for persons in custody of the Department of Corrections. In addition, statute directs the boards to develop a recidivism reduction plan and provides components of the plan.</li></ul>

**Funding Detail**

Table 18-3 provides a 5 year history for Corrections Institutions. Program funding provides for the education of inmates in the State's correctional facilities. Program funds are passed through to the service providers.

<b>Budget History - State Board of Education - Educational Contracts - Corrections Institutions</b>					
	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Appropriated</b>
<b>Sources of Finance</b>					
Uniform School Fund	2,685,500	2,701,600	2,701,600	2,701,600	2,701,600
Uniform School Fund, One-time	32,600	0	0	0	0
Beginning Nonlapsing	5,200	59,000	0	0	0
Closing Nonlapsing	(59,000)	0	0	0	0
Lapsing Balance	0	(52,000)	0	0	0
<b>Total</b>	<b>\$2,664,300</b>	<b>\$2,708,600</b>	<b>\$2,701,600</b>	<b>\$2,701,600</b>	<b>\$2,701,600</b>
<b>Categories of Expenditure</b>					
Current Expense	11,400	15,200	15,200	15,200	15,200
Other Charges/Pass Thru	2,652,900	2,693,400	2,686,400	2,686,400	2,686,400
<b>Total</b>	<b>\$2,664,300</b>	<b>\$2,708,600</b>	<b>\$2,701,600</b>	<b>\$2,701,600</b>	<b>\$2,701,600</b>

**Table 18-3**

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GLOSSARY

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**Finance categories used by the state are:**

<i>General Fund</i>	This is one of the state's most important sources of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as the Constitution allows. Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund.
<i>School Funds</i>	This is another of the state's most important sources of income. Revenues come primarily from personal income taxes and corporate franchise taxes. Funds are constitutionally restricted to public and higher education. In the Capital Facilities subcommittee, these funds are used for debt service and capital improvements (alteration, repair and improvements).
<i>Transportation Funds</i>	Transportation funds are derived primarily from the gas tax and are constitutionally restricted to road and highway related issues. In the Capital Facilities subcommittee, these funds are used for debt service on highway bonds, especially for Centennial Highway Fund projects.
<i>Federal Funds</i>	Federal agencies often make funds available to the state for programs that are consistent with the needs and goals of the state and its citizens and are not prohibited by law. Generally, federal funds are accompanied by certain requirements. A common requirement is some form of state match in order to receive the federal dollars. The Legislature must review and approve most large federal grants before state agencies may receive and expend them.
<i>Dedicated Credits</i>	Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to financing that service. For example, fees collected by an internal service fund agency from another state agency are dedicated credits. By law, these funds must be spent before other appropriated state funds are spent. An agency must estimate the level of its service for the following fiscal year, and thus its level of dedicated credits.
<i>Restricted Funds</i>	Restricted funds are statutorily restricted to designated purposes. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for related purposes.
<i>Lapsing/Nonlapsing</i>	Several other small funds are used by certain agencies. These will be discussed in further detail as the budgets are presented. Lapsing funds, however, should be addressed. Funds lapse, or revert back to the state, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated, all programs will either spend all the money or have some left over. The funds left over lapse to the state, unless specifically exempted. Those exceptions include funds that are setup as nonlapsing in their enabling legislation, or appropriations designated nonlapsing by annual intent language per UCA 63-38-8.1. In these cases, left over funds do not lapse back to the state, but remain with the agency in a special nonlapsing balance, for use in the next fiscal year. In the

budgets, the Beginning Nonlapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Nonlapsing balance. The Closing Nonlapsing balance from one fiscal year becomes the Beginning Nonlapsing balance of the following fiscal year. The reasoning behind nonlapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year. By allowing departments to keep their unexpended funds, the state not only eliminates the rush to spend money at the end of a fiscal year, but also encourages managers to save money.

**Expenditure categories used by the state are:**

<i>Personal Services</i>	Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.
<i>Current Expenses Purpose</i>	Includes general expenses such as utilities, subscriptions, communications, postage, professional and technical services, maintenance, laundry, office supplies, small tools, etc. that cost less than \$5,000 or are consumed in less than one year.
<i>Data Processing Current Expense</i>	Includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.
<i>Capital Outlays</i>	Includes items that cost over \$5,000 and have a useful life greater than one year.
<i>Pass Through</i>	Includes funds passed on to other non-state entities for use by those entities, such as grants to local governments.

**Other budgeting terms and concepts that the Legislature will encounter include the following:**

<i>Performance Measures</i>	<p>In recent years, performance based budgeting has received more attention as citizens and decision-makers demand evidence of improved results from the use of tax dollars.</p> <p>Care must be exercised in crafting performance measures to avoid misdirected results. Moving to performance based budgeting is a long term commitment. The Analyst has drafted some ideas for performance measures in the write-up, however, it is recognized that the measures are a work in progress and that long-term tracking of measures would require a statewide commitment in both the executive and legislative branches.</p>
<i>Intent Language</i>	Intent language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation. However, intent language cannot contradict or change statutory language.
<i>Supplemental Appropriation</i>	The current legislative session is determining appropriations for the following fiscal year. However, it may be determined that unexpected circumstances have arisen which require additional funding for the current year. The appropriations subcommittee can recommend to the Executive Appropriations

Committee that a supplemental appropriation be made for the current fiscal year.

*FTE*

An abbreviation for Full Time Equivalent, this is a method of standardizing personnel counts. A full time equivalent is equal to one employee working 40 hours per week. Four employees each working ten hours per week would also count as 1 FTE.

*Line Item*

This is a term that applies to an appropriation bill. A line number in the appropriations bill identifies each appropriated sum. Generally, each line item may contain several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item of appropriation.





INDEX

- Accelerated Learning Programs, 43  
 Administration, 81, 83, 88, 97, 99  
 Administrative Costs, 19  
 Adult Education, 41  
 Applied Technology Education, 24, 67  
 ATE Set Aside, 25  
 At-Risk Programs, 40  
 Board Leeway Program, 51, 52  
 Board of Education, 3, 22, 24, 45, 59, 62, 63, 64, 65, 69, 75, 77, 78, 79, 81, 83, 86, 88, 90, 93, 99, 103, 105, 106, 108, 109, 110, 113, 114, 115  
 Capital Outlay Foundation Program, 55, 56, 57  
 Career and Technical Education, 65  
 Charter School Local Replacement Funding, 46  
 Child Nutrition Programs, 3, 4, 101, 102, 103  
 Class Size Reduction, 25  
 Concurrent Enrollment, 43  
 Corrections Institutions, 113, 115, 116  
 Curriculum and Instruction, 62, 65  
 Data and Business Services, 59, 69, 70  
 Deafblind Services, 95  
 Division of Disability Determination Services, 81, 88  
 Division of Rehabilitation Services, 79, 81, 85, 86, 88  
 Division of Services for the Blind and Visually Impaired, 79, 81, 83, 85  
 Division of Services to the Deaf and Hard of Hearing, 81, 89, 90  
 Education Contracts, 3, 4, 113, 114  
 Educational Resource Center, 95  
 Educational Support, 97  
 Electronic High School, 45, 71  
 Emergency Food Assistance Program, 102  
 Enrollment Growth Program, 55, 57  
 Enrollment projections, 11  
 Evaluation and Assessment, 65  
 Executive Director's Office, 79, 81, 82  
 Extended Year Program for Severe Disabled, 23  
 Food Distribution Program, 102  
 Free and Reduced Price Lunch Guidelines, 101, 102  
 Grades 1 through 12, 15  
 Guarantee Transportation Levy, 32  
 Highly Impacted Schools Funding, 39  
 Indirect Cost Pool, 73, 74  
 Individualized Services Program, 89  
 Instruction, 3, 59, 60, 63, 79, 95, 96, 105, 110  
 Internal Service Fund, 73, 75  
 Interventions for Student Success Block Grant, 35  
 Jean Massieu Charter School, 96  
 K-3 Reading Program, 48  
 Kindergarten, 15  
 Law, Legislation and Education Services, 71, 72  
 Local Discretionary Block Grant Program, 36  
 Math, Science – Beginning Teacher Recruitment, 33  
 Minimum School Program, 1, 3, 4, 7, 11, 13, 18, 69, 78, 96  
 National Assessment of Educational Progress, 16  
 National School Breakfast Program, 101  
 National School Lunch Program, 101, 102  
 Necessarily Existent Small Schools, 17, 18  
 No Child Left Behind, 65, 67  
 Other Support Services, 97  
 Outreach and Technology Program, 89  
 Parent Infant Program, 95  
 Professional Outreach Program in the Schools, 105, 108, 109  
 Professional Staff, 18, 19  
 Programs for the Deaf, 89  
 Programs for the Hard of Hearing, 89  
 Quality Teaching Block Grant, 36  
 Request for Proposal Program, 109  
 Resident Services, 97  
 Retirement and Social Security, 27  
 School Building Revolving Account, 57  
 School LAND Trust Program, 45, 46, 69  
 Self-Contained Classrooms & Consultant Services, 95  
 Services for at Risk Students, 65  
 Severe Need Breakfast Program, 101  
 Special Education, 21, 22, 23, 24, 65  
 Special Education Add-On Weighted Pupil Units, 21  
 Special Education Self-Contained Program, 22  
 Special Milk Program, 102  
 State Charter School Board, 59, 64, 70, 77, 78  
 Student Achievement and School Success, 59, 65, 68  
 Subsidy Program, 105, 110

Summer Food Service Program, 102

Support Services, 97, 98, 100

Teacher Consultant Program, 95

Transportation, 27, 32, 97, 117

Uniform School Fund, 4, 60, 62, 64, 66, 67, 70,

71, 72, 80, 82, 84, 86, 87, 88, 91, 94, 96, 98,

103, 105, 107, 110, 113, 117

USDB Institutional Council, 93

Utah Interpreter Program, 89

Utah Schools for the Deaf and Blind, 93, 94, 95,  
99

Utah State Office of Rehabilitation, 3, 79, 80,

83, 86, 87, 88, 90

Voted and Board Leeway Programs, 51

Youth Center, 113, 114